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U.S. Department of Agriculture

**1993 BUDGET
EXPLANATORY NOTES
FOR
COMMITTEE ON APPROPRIATIONS
VOLUME 1**

Office of the Secretary
Departmental Administration
Office of Public Affairs
Office of the Inspector General
Office of Budget and Program Analysis
Office of the General Counsel

Alternative Agricultural Research
and Commercialization

Agricultural Research Service
Cooperative State Research Service
Extension Service
National Agricultural Library

Soil Conservation Service

Rural Electrification Administration
Federal Crop Insurance Corporation
Farmers Home Administration
Rural Development Administration

PREFACE

Project Statements

The obligations shown in the Project Statements are based on the appropriations and activities proposed in the 1993 budget estimates. In some Project Statements the activities are further divided into subcategories, reflecting a more detailed description of the work conducted under the appropriation items.

In those accounts where prior year balances are also available for obligation during the year, such amounts are shown in a separate Project Statement.

The amounts shown in Project Statements for the past year are taken directly from the accounting records to the maximum extent possible. Where the Department has adjusted obligations after Treasury has closed the books for the year, we have shown our most current estimate. These adjustments will be picked up by Treasury in subsequent reports.

Statement of Available Funds and Staff-Years

A statement is included for each agency, immediately following the introductory purpose statement, to reflect all sources of funds available to the agency and to show the staff-years related to each source of funds.

These statements reflect the best available information at the time these Explanatory Notes were prepared (January 1992). However, it is not possible in many instances to determine in advance the extent to which agencies may be requested to perform additional services for other Federal and non-Federal agencies or organizations. Therefore, amounts of actual reimbursements and other funds received from sources other than appropriations directly to the agency may vary from those shown in the statements.

In those cases where the funds are not appropriated (reimbursements, trust funds, transfers, revolving funds, etc.), the dollar amounts shown represent actual or estimated Obligations for the year.

In some instances there may be duplication of amounts shown. This results largely from cases involving reimbursements between different agencies within the Department and where amounts are paid from appropriations to the Working Capital Fund. There is no duplication of the staff-years shown.

Classification by Objects

A statement is included for each agency showing total obligations by Object Classification for the agency. Obligations for personnel compensation are also broken between headquarters and field.

Loan Levels

Knowledge of the following basic budget terminology will assist the reader in understanding the budget proposals.

"Direct" loans involve the Federal government disbursing the money to the borrower and receiving the money back from the borrower in regular installments in future years. The Federal agency having responsibility for administering the credit program must counsel prospective borrowers on eligibility criteria and application procedures, evaluate applicant's eligibility and ability to repay, perform the administrative procedures to process the application, make and record the loan payment, receive and record the receipts for repayment, calculate the interest and remaining balance status, monitor the regularity of payments, follow up on delinquent status, and, where necessary, institute legal action to eliminate or minimize the loss to the Federal government in the event of the borrower's default on the loan.

For international trade "Credit Sales", the same basic process is involved except that the disbursement of the cash loan is replaced by the disbursement of cash to purchase and ship the commodities being exported to the foreign country involved.

Loan "Guarantees" involves the Federal government actually guaranteeing a private lending institution that a stipulated portion of a borrower's loan will be repaid. The Federal government does not disburse or receive funds involved in the loan and repayment between the lending institution and the borrower. If the borrower defaults on the loan, the Federal government would have to disburse to the lending institution the portion of the borrower's unpaid balance representing the amount of the Federal guarantee. The Federal agency having responsibility for administering the credit program must counsel prospective borrowers on eligibility criteria and application procedures, evaluate applicant's eligibility and ability to pay, counsel and assist the borrower in arranging the loan with the lending institution, perform administrative procedures necessary to record the loan guarantee transaction, maintain liaison with the lending institutions to keep informed of the status of loan repayments, follow up on seriously delinquent status, and, where necessary, institute legal action to eliminate or minimize the loss of the Federal government in the event of the borrower's default on the loan. The Rural Electrification Administration (REA), however, guarantees loans made by the Federal Financing Bank. Because REA is guaranteeing loans made by another Federal agency, the transaction more closely resembles an insured loan.

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OFFICE OF THE SECRETARY

Purpose Statement

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and members of Congress on all matters pertaining to Agriculture policy.

The Board of Contract Appeals is a reimbursable activity in the Office of the Secretary. It is the authorized representative of the Secretary of Agriculture to make final administrative determinations for the Department of Agriculture in appeals handled under the Secretary's regulations.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201-2202). The delegation of regulatory functions to the Department employees and authorization of appropriations to carry out these functions are contained in 7 U.S.C. 450c-450g.

Except for one employee located in the Foreign Agricultural Service's Foreign Office, the Secretary's staffs financed from this appropriation are located in Washington, D. C. As of September 30, 1991, there were 86 employees. Of this total, 80 were full-time permanent employees and 6 were other than full-time permanent employees.

OFFICE OF THE SECRETARY

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

Item	1991		1992		1993	
	Actual	Staff	Estimated	Staff	Estimated	Staff
	Amount	Years	Amount	Years	Amount	Years
Direct Appropriation...	\$7,637,901	77.0	\$8,646,000	81.0	\$9,754,000	83.0
Obligations Under Other:						
USDA Appropriations:						
Board of Contract						
Appeals.....	1,049,585	10.0	1,140,000	10.0	1,201,000	10.0
Forest Service.....	86,877	1.0	97,000	1.0	102,000	1.0
Foreign Agricultural						
Service.....	157,296	.5	200,000	.5	140,000	--
Agricultural Stabili-						
zation and Conserva-						
tion Service.....	88,345	.5	67,000	.5	--	--
Miscellaneous						
Reimbursements.....	121,984	1.0	133,000	1.0	--	--
Total, Other USDA						
Appropriations.....	1,504,087	13.0	1,637,000	13.0	1,443,000	11.0
Total, Office of the						
Secretary.....	9,141,988	90.0	10,283,000	94.0	11,197,000	94.0
Full-time Equivalent	1991		1992		1993	
Staff-Years:	Actual		Estimated		Estimated	
Ceiling.....	90		94		94	
Non-Ceiling.....	2		4		6	
Total.....	92		98		100	

OFFICE OF THE SECRETARY

Permanent Positions by Grade and Staff-Year Summary1991 and Estimated 1992 and 1993

Grade	1991 Headquarters	1992 Headquarters	1993 Headquarters
Executive Level I	1	1	1
Executive Level II	1	1	1
Executive Level III	2	2	2
Executive Level IV	7	7	7
ES-6.....	9	11	12
ES-5.....	5	1	3
ES-4.....	1	2	1
ES-3.....	2	2	3
ES-2.....	2	1	1
ES-1.....	1	3	1
GS/GM-18.....	1	1	1
GS/GM-17.....	1	1	1
GS/GM-16.....	3	3	3
GS/GM-15.....	10	10	14
GS/GM-14.....	3	3	3
GS/GM-13.....	4	4	5
GS-12.....	6	7	7
GS-11.....	8	8	8
GS-10.....	5	5	5
GS-9.....	8	7	7
GS-8.....	4	4	4
GS-7.....	1	6	1
GS-6.....	0	1	0
GS-5.....	0	1	1
GS-1.....	0	0	0
Ungraded Positions	3	2	2
Total Permanent Positions	88	94	94
Unfilled Positions end of year	-8	--	--
Total, Permanent Employment, end of year	80	94	94
Staff-Years:			
Ceiling	90	94	94
Non-ceiling	2	4	6
TOTAL	92	98	100

OFFICE OF THE SECRETARY

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters	\$4,510,975	\$5,915,000	\$6,562,000
11 Total personnel compensation	4,510,975	5,915,000	6,562,000
12 Personnel Benefits.....	1,003,123	1,042,000	1,124,000
13 Benefits for former personnel.....	<u>15,013</u>	<u>--</u>	<u>--</u>
Total pers. comp & benefit.....	<u>5,529,111</u>	<u>6,957,000</u>	<u>7,686,000</u>
Other Objects:			
21 Travel.....	169,643	290,000	325,000
22 Transportation of things....	12,336	2,000	2,000
23.3 Communications, utilities, and misc. charges.....	369,832	466,000	565,000
24 Printing.....	269,946	240,000	312,000
25 Other services.....	204,050	480,000	548,000
26 Supplies and materials.....	143,614	171,000	249,000
31 Equipment.....	<u>75,227</u>	<u>40,000</u>	<u>67,000</u>
Total other objects.....	<u>1,244,648</u>	<u>1,689,000</u>	<u>2,068,000</u>
Total direct obligations.....	<u>6,773,759</u>	<u>8,646,000</u>	<u>9,754,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$107,675	\$111,659	\$115,232
Average Salary, GM/GS position...	\$48,976	\$49,121	\$51,577
Average Grade, GM/GS positions...	11.76	11.79	11.93

OFFICE OF THE SECRETARY

The estimate includes appropriation language for this item as follows: (new language underscored; deleted matter enclosed in brackets):

Office of the Secretary

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed \$50,000 for employment under 5 U.S.C. 3109, [\$2,282,000] \$2,747,000. Provided, That not to exceed \$8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: Provided, That the Secretary may transfer salaries and expenses funds sufficient to finance a total of not to exceed 50 staff years between agencies and the Department of Agriculture to meet workload requirements.

Office of the Deputy Secretary

For necessary expenses of the Office of the Deputy Secretary of Agriculture, including not to exceed \$25,000 for employment under 5 U.S.C. 3109, [\$543,000] \$575,000. Provided, That not to exceed \$3,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Deputy Secretary.

Office of the Assistant Secretary for Administration

For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, [\$596,000] \$693,000.

Office of the Assistant Secretary for Congressional Relations

For necessary expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, [\$1,307,000] \$1,446,000.

Office of the Assistant Secretary for Economics

For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, [\$580,000] \$608,000.

Office of the Assistant Secretary for Science and Education

For necessary salaries and expenses of the Office of the Assistant Secretary for Science and Education to administer the laws enacted by the Congress for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Library, [\$560,000] \$595,000.

Office of the Assistant Secretary for Marketing and Inspection Services

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Inspection Services to administer programs under the laws enacted by the Congress for the Animal and Plant Inspection Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Agricultural Cooperative Service, Agricultural Marketing Service, and Packers and Stockyards Administration, [\$550,000] \$590,000.

Office of the Under Secretary for International Affairs and Commodity Programs

For necessary salaries and expenses of the Office of the Under Secretary for International Affairs and Commodity Programs to administer programs under the laws enacted by the Congress for the Agricultural Stabilization and Conservation Service, Office of International Cooperation and Development, Foreign Agricultural Service, and the Commodity Credit Corporation, [\$551,000] \$652,000.

Office of the Assistant Secretary for Natural Resources and Environment

For necessary salaries and expenses of the Office of the Assistant Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Soil Conservation Service, [\$563,000] \$598,000.

Office of the Under Secretary for Small Community and Rural Development

For necessary salaries and expenses of the Office of the Under Secretary for Small Community and Rural Development to administer programs under the laws enacted by the Congress for the Farmers Home Administration, Rural Electrification Administration, Federal Crop Insurance Corporation, Rural Development Administration and rural development activities of the Department of Agriculture, [\$572,000] \$650,000.

Office of the Assistant Secretary for Food and Consumer Service

For necessary salaries and expenses of the Office of the Assistant Secretary for Food and Consumer Services to administer programs under the laws enacted by the Congress for the Food and Nutrition Service and the Human Nutrition Information Service, [\$542,000] \$600,000.

This change adds the Rural Development Administration to the list of agencies administered by the Under Secretary for Small Community and Rural Development.

OFFICE OF THE SECRETARY

Appropriation Act, 1992.....	\$ 8,646,000
Budget Request, 1993.....	<u>9,754,000</u>
Increase in Appropriation.....	<u>+1,108,000</u>

SUMMARY OF INCREASE AND DECREASE
(on basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Immediate Office of the Secretary	\$2,282,000	+\$84,000	+\$381,000	\$2,747,000
Office of the Deputy Secretary...	543,000	+16,000	+16,000	575,000
Assistant Secretary for Administration.....	596,000	+21,000	+76,000	693,000
Assistant Secretary for Congressional Relations.....	1,307,000	+60,000	+79,000	1,446,000
Assistant Secretary for Economics	580,000	+18,000	+10,000	608,000
Assistant Secretary for Science and Education.....	560,000	+18,000	+17,000	595,000
Assistant Secretary for Marketing and Inspection Services.....	550,000	+20,000	+20,000	590,000
Under Secretary for International Affairs and Commodity Programs.	551,000	+27,000	+74,000	652,000
Assistant Secretary for Natural Resources and Environment....	563,000	+19,000	+16,000	598,000
Under Secretary for Small Com- munity and Rural Development...	572,000	+25,000	+53,000	650,000
Assistant Secretary for Food and Consumer Services.....	<u>542,000</u>	<u>+17,000</u>	<u>+41,000</u>	<u>600,000</u>
Total Available.....	<u>8,646,000</u>	<u>+325,000</u>	<u>+783,000</u>	<u>9,754,000</u>

PROJECT STATEMENT
(on basis of adjusted appropriation)

	1991		1992			1993	
	Actual		Estimated		Increase	Estimated	
Item of Change	Amount	Staff:	Amount	Staff:	or	Amount	Staff
		Years		Years	Decrease		Years
1. Secretary....	\$1,855,267:	21:	\$2,282,000:	22:	+\$465,000	\$2,747,000:	22
Deputy	:	:	:	:	:	:	:
Secretary....	347,231:	4:	543,000:	5:	+32,000	575,000:	5
3. Under/Asst.	:	:	:	:	:	:	:
Secretaries..	:	:	:	:	:	:	:
ADM.....	351,290:	5:	596,000:	6:	+97,000	693,000:	6
CR.....	988,037:	14:	1,307,000:	15:	+139,000	1,446,000:	15
ECON.....	492,083:	5:	580,000:	5:	+28,000	608,000:	5
S/E.....	490,832:	5:	560,000:	5:	+35,000	595,000:	5
MIS.....	455,420:	5:	550,000:	5:	+40,000	590,000:	5
IACP.....	437,623:	5:	551,000:	5:	+101,000	652,000:	5
NRE.....	437,820:	5:	563,000:	5:	+35,000	598,000:	5
SCRD.....	509,278:	5:	572,000:	5:	+78,000	650,000:	5
FCS.....	408,878:	5:	542,000:	5:	+58,000	600,000:	5
Total available	:	:	:	:	:	:	:
or estimated....	6,773,759:	79:	8,646,000:	83:	+1,108,000	9,754,000:	83
Unobligated	:	:	:	:	:	:	:
balance.....	864,142:	--:	--:	--:	--	--:	--
Total available	:	:	:	:	:	:	:
or estimate....	7,637,901:	79:	8,646,000:	83:	+1,108,000(1):	9,754,000:	83
G-R-H Reduction:	+99:	:	:	:	:	:	:
Total, appropri-	:	:	:	:	:	:	:
ations.....	7,638,000:	79:					

Explanation of Program

The Office of the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staff, provide policy and guidance for the Department and maintain relationships with agricultural organizations and others in the development of farm programs.

The Office of the Secretary also oversees special projects that are conducted at the behest of the Congress. These projects include short-term studies, investigations, and research on matters affecting agriculture or the agricultural community. Usually, specific appropriations are provided to carry out these projects. Projects results are reported to the appropriate Congressional committees.

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$1,108,000 consisting of:

(a) An increase of \$317,000 for increased operating costs.

Need for Change. Increased funds are necessary to meet rising operating costs of the Offices of the Secretary, the Deputy Secretary, and the Under and Assistant Secretaries.

Nature of Change. This increase will cover costs associated with printing, communications, travel, movement of household goods, ADP and office equipment, maintenance agreements, and other items of expense concerning Department wide program management and the development of management and program policies.

- (b) An increase of \$256,000 to cover costs for two staff-years instead of reimbursements.

Need for Change. The Immediate Office of the Secretary is currently financing two Special Assistants to the Secretary. As these positions were assumed to be temporary in nature, they were financed temporarily through reimbursements. Now that it has been determined that these activities will continue to be performed for a sustained period, direct appropriation is being sought to cover their costs.

Nature of Change. This increase will allow the above 2 staff-years in the Immediate Office of the Secretary to be financed from direct appropriation. There is no change in program activity.

- (c) An increase of \$62,000 for two non-ceiling staff years.

Need for Change. These staff years will be used for students participating in the Cooperative Education Program. These students will serve as administrative or management interns. Although funding for these interns has been shown in the Office of the Assistant Secretary for Administration, they will work with several offices within the Office of the Secretary.

Nature of Change. This proposal will provide funding for two non-ceiling staff years to carry out the portions of the Cooperative Education Program serving policy level offices.

- (d) An increase of \$148,000 for salary adjustments.

Need for Change. Over 79 percent of the Office of the Secretary obligations are for salaries and benefits. This leaves little flexibility for absorbing increased costs. OSEC cannot absorb these additional salary costs without placing severe constraints on its daily operations.

Nature of Change. Funds will be used to support within-grades, reclassifications, awards, and lump sum payments.

- (e) An increase of \$325,000 for pay costs which consists of \$121,000 for the annualization of the fiscal year 1992 pay raise and \$204,000 for the fiscal year 1993 pay raise.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991, and estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C.	\$6,773,759	79	\$8,646,000	83	\$9,754,000	83
Unobligated balance	864,142	--	--	--	--	--
Total, Available or Estimate.....	7,637,901	79	8,646,000	83	9,754,000	83

DEPARTMENTAL ADMINISTRATION

Purpose Statement

This appropriation funds the Departmental Staff Offices that report to the Assistant Secretary for Administration. These Offices provide staff support to the top policy officials of the Department and overall direction and coordination to the work of USDA's program agencies to ensure the efficient and effective management and operation of the Department.

- The Office of Personnel provides direction and leadership in formulating and issuing Department policy, standards, rules, and regulations relating to personnel. It develops and implements personnel management plans and programs responsive to the Department's needs. In addition, it provides day-to-day operating personnel services to the Office of the Secretary and Departmental Staff Offices, as well as to certain non-USDA agencies on a cross-servicing basis.
- The Office of Finance and Management provides leadership in developing and evaluating programs in finance, accounting, travel, management control, Federal assistance, management and productivity improvement, metrication, audit follow-up and final action, and occupational safety and health. In addition, it provides budget, accounting and fiscal services to the Office of the Secretary and Departmental Staff Offices.
- The Office of Operations provides leadership, oversight, and policy development in the areas of real and personal property, procurement, contracts, motor vehicles, and supply. It also provides procurement, contracting, leasing, and other administrative service support to the Office of the Secretary, Departmental Staff offices, and Departmental agencies.
- The Office of Information Resources Management develops and disseminates Departmental standards, guidelines, rules, and regulations to implement approved Information Resources Management (IRM) principles, policies, and programs that improve the operational effectiveness of USDA's programs. It also provides for long range IRM planning for the Department, guides the IRM planning of USDA agencies and reviews, monitors and oversees major agency and Departmental IRM programs. In addition, it provides telecommunications and ADP services to USDA agencies and Staff Offices.
- The Office of Advocacy and Enterprise provides overall policy and program guidance, leadership, coordination and direction for the Department's civil rights and equal opportunity programs; plans and coordinates the participation of women, hispanics, native Americans, persons with disabilities, minority colleges and universities in departmental programs; overseas procurements to assure maximum participation of small and disadvantaged businesses in the procurement process; and directs and monitors Agency compliance in promoting full and open competition in the Department's contracting process.
- The Office of Administrative Law Judges and the Judicial Officer is responsible for conducting regulatory hearings and issuing decisions in proceedings arising under the Administrative Procedure Act. The Administrative Law Judges hold rulemaking and adjudicatory hearings and issue initial decisions and orders. The Judicial Officer serves as the final deciding officer in regulatory proceedings.

Not all Administrative Staff Office activities are financed from direct appropriations. The Staff Offices also provide central services, that are financed under the Department's Working Capital Fund (7 U.S.C. 2235), to USDA's agencies. A detailed description of these activities is provided under the Purpose Statement for the Working Capital Fund.

Reimbursable Activities. Under the Economy Act, 31 U.S.C. 686, the Staff Offices also are reimbursed for services provided to USDA and non-USDA agencies. The following activities are financed through other reimbursements. Travel and printing for the Administrative Law Judges, miscellaneous personnel details, selected short-term activities, as well as reimbursements for administrative, operational support to Working Capital Fund activities are included in this area.

Geographic Location. The majority of the Staff Offices are located in Washington, D.C. Central services financed through the Working Capital Fund are provided by the National Finance Center located in New Orleans, Louisiana and by the Department's computer centers located in Kansas City, Missouri and Fort Collins, Colorado, and by other administrative service units located in the Washington Metropolitan area.

As of September 30, 1991, there were 2,222 employees, of which 2,084 were full-time and 138 were other than full-time permanent employees in the Staff Offices included under Departmental Administration. Of these, 559 were full-time permanent and 64 other than full-time permanent employees located in Washington, D.C. and 1,525 full-time permanent and 74 other than full-time permanent were in the field.

DEPARTMENTAL ADMINISTRATION

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

Item	1991		1992		1993	
	Actual		Estimated		Estimated	
	Amount	Staff:	Amount	Staff:	Amount	Staff
		Years		Years		Years
Direct Appropriation...	\$23,051,700:	359:	\$25,064,000:	399:	\$28,591,000:	424
GSA Rental Payments,						
Building Ops. & Main.	73,540,853:	81:	76,903,000:	87:	76,985,000:	87
Obligations Under Other:						
USDA Appropriations:						
Farm Credit Assistance:	19,999:	--:	49,000:	--:	--:	--
Mine Safety Board.....	--:	--:	48,000:	--:	51,000:	--
Court Vet. Appeals.....	38,582:	--:	66,000:		68,000:	
Emerg. Preparedness....	50,991:	--:	--:	--:	--:	--
Department of Commerce:	17,475:	--:	--:	--:	--:	--
FmHA ADP/IRM.....	53,937:	--:	60,000:	--:	63,000:	--
Office of Admin. Law						
Judges.....	47,253:	--:	47,000:	--:	49,000:	--
Miscell. Detail.....	44,610:	--:	--:	--:	--:	--
Security, overtime						
Bldg. Services	2,187,584:	--:	2,500,000:	--:	2,500,000:	--
Subtotal.....	2,460,431:	--:	2,770,000:	--:	2,731,000:	--
Management Support						
Services provided to						
WCF Activities.....	3,847,032:	72:	4,301,000:	75:	4,468,000:	75
Working Capital Fund						
Supply and Other						
Central Services.....	14,723,000:	174:	17,175,000:	200:	17,461,000:	200
OFM Finance Center.....	83,472,000:	1,370:	94,193,000:	1,338:	105,886,000:	1,413
ADP Services.....	40,585,000:	189:	41,212,000:	201:	41,433,000:	201
Purchase of Equipment..	15,291,000:	--:	14,858,000:	--:	15,490,000:	--
Subtotal, Working						
Capital Fund.....	154,071,000:	1,733:	167,438,000:	1,739:	180,270,000:	1,814
Total, Other						
Appropriations.....	160,378,463:	1,805:	174,509,000:	1,814:	187,469,000:	1,889
Total, Departmental						
Administration.....	256,971,016:	2,245:	276,476,000:	2,300:	293,045,000:	2,400
Full-time Equivalent	1991		1992		1993	
Staff-Years:	Actual		Estimated		Estimated	
Ceiling.....	2,245		2,300		2,400	
Non-Ceiling.....	46		49		49	
Total.....	2,291		2,349		2,449	

DEPARTMENTAL ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary

1991 and Estimated 1992 and 1993

Grade	1991			1992			1993		
	HDOTRS	FIELD	TOTAL	HDOTRS	FIELD	TOTAL	HDOTRS	FIELD	TOTAL
ES-6.....	2	--	2	3	--	3	3	--	3
ES-5.....	5	2	7	6	2	8	6	2	8
ES-4.....	1	--	1	1	--	1	1	--	1
ES-3.....	1	--	1	1	--	1	1	--	1
ES-2.....	--	1	1	--	1	1	--	1	1
ES-1.....	2	5	7	2	5	7	2	5	7
AL-3.....	4	--	4	5	--	5	5	--	5
AL-2.....	1	--	1	1	--	1	1	--	1
AL-1.....	1	--	1	1	--	1	1	--	1
GS/GM-15...	38	13	51	38	14	52	39	16	55
GS/GM-14...	83	56	139	102	60	162	107	64	171
GS/GM-13...	132	111	243	150	115	265	160	123	283
GS-12.....	41	216	257	58	219	277	66	240	306
GS-11.....	33	167	200	40	169	209	45	179	224
GS-10.....	3	11	14	3	11	14	2	12	14
GS-9.....	36	109	145	39	111	150	41	118	159
GS-8.....	15	37	52	17	35	52	16	37	53
GS-7.....	62	154	216	78	153	231	81	164	245
GS-6.....	31	163	194	34	166	200	33	167	200
GS-5.....	35	265	300	37	261	298	35	266	301
GS-4.....	43	103	146	50	103	153	47	103	150
GS-3.....	14	85	99	15	85	100	15	87	102
GS-2.....	2	3	5	2	3	5	2	3	5
Ungraded Positions...	55	24	79	80	24	104	80	24	104
Unfilled Positions...									
end-of-year:	--	--		--	--		--	--	--
Total Perm. Employment, end-of-year:	640	1,525	2,165	763	1,537	2,300	789	1,611	2,400
Staff-Years:									
Ceiling...	689	1,556	2,245	763	1,536	2,300	789	1,611	2,400
Non-ceiling:	10	36	46	13	36	49	13	36	49
TOTAL	699	1,592	2,291	776	1,572	2,349	802	1,647	2,449

DEPARTMENTAL ADMINISTRATION

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters	\$15,792,165	\$18,612,000	\$20,500,000
11 Total personnel compensation	15,792,165	18,612,000	20,500,000
12 Personnel Benefits.....	2,227,101	2,614,000	2,836,000
13 Benefits for former personnel.....	<u>7,531</u>	<u>8,000</u>	<u>9,000</u>
Total pers. comp. & benefits..	18,026,797	21,234,000	23,345,000
Other Objects:			
21 Travel.....	224,079	225,000	452,000
22 Transportation of things....	7,652	12,000	12,000
23.2 Rental payments to others...	35,064	--	--
23.3 Communications, utilities, and misc. charges.....	924,034	964,000	980,000
24 Printing.....	324,082	245,000	276,000
25 Other services.....	2,006,023	1,779,000	2,364,000
26 Supplies and materials.....	500,521	323,000	350,000
31 Equipment.....	750,188	182,000	712,000
41 Grants, Subsidies and Contributions.....	<u>--</u>	<u>100,000</u>	<u>100,000</u>
Total other objects.....	<u>4,771,643</u>	<u>3,830,000</u>	<u>5,246,000</u>
Total direct obligations.....	<u>22,798,440</u>	<u>25,064,000</u>	<u>28,591,000</u>
Position Data:			
Average Salary, ES positions.....	\$75,087	\$93,853	\$98,686
Average Salary, GM/GS position...	\$42,453	\$42,988	\$44,946
Average Grade, GM/GS positions...	12.5	12.4	12.5

DEPARTMENTAL ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Departmental Administration

- 1 For Personnel, Finance and Management, Operations, Information Resources Management, Advocacy and Enterprise, and Administrative Law Judges and Judicial Officer, [25,014,000] 28,591,000]; and in addition, for payment of the USDA share of National Communications System, 50,000; making a total of \$25,064,000] for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration and emergency preparedness of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

This change proposes deletion of this language included in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1992 for the National Communications System. It is anticipated that the funds are no longer required.

DEPARTMENTAL ADMINISTRATION

Appropriation Act, 1992.....	\$25,064,000
Budget Estimate, 1993.....	<u>28,591,000</u>
Increase in Appropriation.....	<u>+3,527,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1992 Estimated</u>
Personnel.....	\$6,929,000	+\$266,000	+\$351,000	\$7,546,000
Finance and Management.....	4,371,000	+167,000	+400,000	4,938,000
Operations.....	3,089,000	+94,000	+373,000	3,556,000
Information Resources Management..	5,348,000	+148,000	+1,150,000	6,646,000
Advocacy and Enterprise.....	3,699,000	+124,000	+400,000	4,223,000
Administrative Law Judges and Judicial Officer.....	1,578,000	+29,000	+75,000	1,682,000
National Communications System.....	<u>50,000</u>	<u>--</u>	<u>-50,000</u>	<u>--</u>
Total Available.....	<u>25,064,000</u>	<u>+828,000</u>	<u>+2,699,000</u>	<u>28,591,000</u>

PROJECT STATEMENT
(on basis of appropriation)

<u>Item of Change</u>	<u>1991 Actual</u>	<u>Staff:</u>	<u>1992 Estimated</u>	<u>Staff:</u>	<u>Increase or Decrease</u>	<u>1993 Estimated</u>	<u>Staff</u>
	<u>Amount</u>	<u>Years</u>	<u>Amount</u>	<u>Years</u>		<u>Amount</u>	<u>Years</u>
1. Departmental							
Staff Offices:							
(a) Personnel..	\$6,330,134:	113:	\$6,929,000:	123:	+\$617,000(1):	\$7,546,000:	124
(b) Finance & Management:	4,024,380:	61:	4,371,000:	68:	+567,000(2):	4,938,000:	75
(c) Operations..	2,861,791:	56:	3,089,000:	58:	+467,000(3):	3,556,000:	61
(d) Information Resources Management..	4,998,552:	57:	5,348,000:	64:	+1,298,000(4):	6,646,000:	75
(e) Advocacy & Enterprise..	3,246,208:	52:	3,699,000:	62:	+524,000(5):	4,223,000:	64
(f) Admin. Law Judges & Judicial Officer....	1,337,375:	20:	1,578,000:	24:	+104,000(6):	1,682,000:	25
Subtotal.....	22,798,440:	359:	25,014,000:	399:	+3,577,000	28,591,000:	424
2. National Comm. System..	--:	--:	50,000:	--:	-50,000(7):	--:	--
Unobligated balance.....	253,260:		--:	--:	--:	--:	--
Total available or estimate....	23,051,700:	359:	25,064,000:	399:	+3,527,000	28,591,000:	424
G-R-H Reduction..	+300:	--:					
Total, Appropriation.....	23,052,000:	359:					

EXPLANATION OF PROGRAM

This appropriation provides for the following activities:

Personnel - This activity provides direction, leadership, coordination and monitoring of the personnel management program in the Department and promulgation of Departmental policies and procedures relating to all personnel functions. Operational services are provided to the Office of the Secretary, Office of the Inspector General, Office of the General Counsel, Office of Public Affairs, Office of Budget and Program Analysis, and the Departmental Administrative Staff Offices. Equal Employment Opportunity under Title 7 of the Civil Rights Act of 1964 is provided to all USDA agencies.

Finance and Management - This activity provides Departmental leadership in developing and evaluating programs in finance, accounting, management control, Federal assistance, management and productivity improvement, metrication, audit follow-up and final action and occupational safety and health. The Director serves as the Department's accounting officer, management improvement officer and comptroller of the Working Capital Fund. Finance and Management also provides budget, accounting and fiscal operational services to the Office of the Secretary, the Departmental Administrative Staff Offices, Office of Public Affairs, and the Office of Budget and Program Analysis.

Operations - This activity provides USDA agencies leadership, oversight and policy development in the areas of real and personal property, procurement, contracts, supplies, motor vehicles and supply. Under an agreement with GSA, it operates and provides maintenance security and services to the Washington, D.C. building complex. The Office of Operations also provides procurement, contract, leasing, and other administrative services to the Office of the Secretary, General Counsel, Office of Public Affairs, the Office of Budget and Program Analysis, and the Departmental Staff Offices.

Information Resources Management - This activity develops, and disseminates Departmental standards, guidelines, rules, and regulations to implement approved Information Resources Management (IRM) principles, policies, and programs that improve the operational effectiveness of USDA's programs. It provides for long range IRM planning for the Department, guides the IRM planning of USDA agencies, monitors and oversees major agency and Departmental IRM programs. The Director serves as the Department's clearance officer for statistical reporting and information collection. This activity provides telecommunications and ADP services to USDA agencies and staff offices through the National Computer Centers in Fort Collins, Colorado and Kansas City, Missouri. The Office of Information Resources Management also provides ADP operational services to the Office of the Secretary, Office of the General Counsel, Office of Public Affairs, the Office of Budget and Program Analysis, and the Departmental Administrative Staff Offices.

Advocacy and Enterprise - This activity provides overall policy and program guidance, leadership, coordination and direction for the Department's civil rights and equal opportunity programs; plans and coordinates the participation of women, minorities, and disabled persons, in Departmental programs; oversees direction and implementation of Sections 8 and 15 of the Small Business Act and oversees procurements to assure maximum participation small and disadvantaged businesses; directs Departmental efforts to further the participation of minority colleges and universities in USDA programs; and directs and monitors USDA agencies compliance in promoting full and open competition in the Department's contracting process.

Administrative Law Judges/Judicial Officer - The Administrative Law Judges hold hearings in connection with prescribing new regulations and orders and on disciplinary complaints filed by the Department or on some petitions filed by private parties asking relief from actions of the Department. The Judicial Officer renders final administrative decisions in regulatory proceedings.

JUSTIFICATION OF INCREASES AND DECREASES

(1) Office of Personnel (OP) - An increase of \$617,000 consisting of:

- a. An increase of \$266,000 for pay costs which consist of \$72,000 for annualization of the 1992 pay raise and \$194,000 for the 1993 pay raise.
- b. An increase for \$249,000 for Internal Automation.

Need for Change. Although OP manages system requirements for the payroll/personnel system operated at the National Finance Center (NFC), OP has neglected its own internal automation. OP is significantly behind other USDA offices in automation of its work, and only about one half of its personnel have personnel computers. Most of the existing computers are old and outdated. There is also a need for electronic communication, both internally and with OP clients and serviced agencies. OP proposes to install an OP Local Area Network (LAN), as well as connect to the USDA LAN. Without additional resources, the inability to communicate electronically would continue to be a significant hindrance to inter and intra-department program management and coordination. The replacement program is already several years behind schedule. There is a need to upgrade individual employee automation skills to prevent further loss of staff productivity. The development of OP staff and program products have been significantly delayed due to the lack of these skills. Without additional ADP capability, OP will be unable to meet the Departmental MAPS/AIMS requirements. One staff year, a Computer Specialist experienced in the systems operations, LAN Management and system design/implementation is needed to coordinate between OP staffs, various DA staff offices (including OIRM & OO/Procurement), and outside vendors.

Nature of Change. All staff elements will be networked with each other and DA/USDA, new purchases of ADP equipment and software will be standardized, and comprehensive automation training will be provided for all staff members. Each OP staff will be tied to a sub-LAN, with all staffs linked through a primary OP LAN. ADP equipment will be purchased to provide automation tools to its staff. Salary, benefits and operational costs will support one staff year for ADP coordination.

- c. An increase of \$102,000 for Emergency Programs Policy and Management.

Need for Change. Over the past five years, the Department's emergency preparedness responsibilities have significantly increased. OP has not received any additional resources over this time period for this activity. The White House "Special Access Program" now requires 60 percent of staff time, eroding our ability to support other emergency preparedness activities. OP anticipates further expansion of domestic and international emergency preparedness programs will severely strain current resources and limit its ability to respond and participate in a meaningful manner. The expanded activities fall within the five areas: (1) The London Declaration of November 1990 offered mutual support and participation in natural resources and technological emergency planning for the nations emerging from the Warsaw Pact/Soviet Bloc. The USDA anticipates considerable involvement with the Conference on Security and Cooperation in Europe similar to the support we currently provide NATO. (2) The proposed North American Free-Trade agreement will broaden our emergency preparedness responsibilities. The Federal Emergency Management Agency is pursuing establishment of a US/Mexico Civil Emergency Planning Consultative Group similar to the existing US/Canada Group. The USDA co-chairs the US/Canada Civil Emergency Planning Committee on Agriculture and Food (CEPCAF). The Department anticipates the establishment of a like group with Mexico. (3) The CEPCAF projects annual cross-border exercises between the two countries requiring preparation of exercise materials, training at the State and local FAC levels and OP's participation in the exercises. (4) During Operation Desert Shield/Storm, (DS/S), USDA, the

Department of Health and Human Services, and the Environmental Protection Agency established the Health, Environment and Food Group to improve coordination and response in the event of a terrorist incident involving chemical/biological, radiological or biotechnological emergencies. OP plans to continue participation in the group and to conduct exercises and training at the State and local levels. (5) Chemical/biological emergency issues are a concern of the FBI's Counter Terrorist Group that USDA participated in during Desert Storm/Shield. USDA, through OP's coordination role, will continue to participate in exercises and training activities, as the situation warrants.

Nature of Change. Funding one additional staff year will enable the Department to actively participate in international and domestic emergency planning activities. It will ensure that emergency personnel on the State and local Food and Agriculture Councils will receive quality training in their emergency responsibilities, and will ensure that an organized, and well trained USDA emergency staff is available.

(2) Office of Finance and Management (OFM) - an increase of \$567,000 consisting of:

- a. An increase of \$167,000 for pay costs which consist of \$29,000 for annualization of the 1992 pay raise and \$138,000 for the 1993 pay raise.
- b. An increase of \$200,000 for USDA Financial Management activities.

Need for Change. The Office of Finance and Management must meet current, mandatory legal requirements for USDA's finance and management programs. Two major reasons for additional resources are: (1) to improve USDA's systems of accounting, financial management, and internal controls to assure reliable financial information and to deter fraud, waste, and abuse of Government resources; and (2) to produce complete, reliable, timely, and consistent financial information for use by the Executive Branch of the Government and the Congress in financing, management, and evaluation of USDA programs.

OFM needs added resources to meet current and new requirements of the central guidance agencies. OFM will assist USDA agencies in preparing USDA's Consolidated Financial Statements each year for audit and review. This activity covers 42 agencies and offices with annual budgets totalling more than \$50 billion, about \$140 billion in assets, and about 40 percent of all debts owed to the Federal Government. OFM will provide leadership in the development of USDA's 5-Year Financial Management Systems Plan. This plan will provide the strategies and milestones for developing and maintaining a single, integrated financial management system for USDA. It also requires review, analysis, and consolidation of information for USDA's six major financial management subsystems to ensure that internal, as well as, external requirements are met. OFM will review biennially, the fees, royalties, rents, and other charges imposed by the agencies for services and things of value provided, and will recommend charges that reflect costs incurred by the agencies. Currently, minimal staffing of three staff years are provided, and the added staff years are needed urgently.

Nature of Change. Increased resources will be applied to salaries, benefits and general operating costs to support 5 staff years for financial management activities. OFM will use the added resources to develop and coordinate implementation of Government-wide financial systems' policies within the Department, provide guidance to agency personnel through USDA-wide policy publications and briefings to ensure compliance with Government-wide policy directions, prepare and present USDA's Consolidated Financial Statements in conformance with generally accepted accounting principles, provide leadership to develop USDA's 5-Year Financial Management Systems Plan, conduct reviews to evaluate and analyze USDA programs' fees and other charges, and develop and coordinate financial systems policy.

c. An increase of \$200,000 for the Modernization of the MAPS/AIMS.

Need for Change. Funds are requested to continue development of the Modernized Administrative Processing Systems/Administrative Information Management System (MAPS/AIMS). MAPS/AIMS replaces current paper-based administrative processes and communication with NFC with electronic, automated technology. Implementation of MAPS/AIMS is scheduled to begin in 1993. OFM must develop and oversee numerous new internal control processes to prevent fraud or mismanagement brought about by the new technology. Staff is needed to ensure the proper separation of functional responsibilities for management oversight, approval, and authentication by electronic signature, and ensure that debt collection, credit management, cash management, prompt payment, inventory, property, plant, and equipment inventory processes are effectively and efficiently integrated into the new MAPS system.

Nature of Change. Increased resources will be used for salary, benefits, and operational costs associated with two added staff years to assist in the development of accounting policy, internal controls, and to resolve financial management systems issues associated with MAPS/AIMS.

(3) Office of Operations - An increase of \$467,000 consisting of:

- a. An increase of \$94,000 for pay costs which consist of \$19,000 for annualization of the 1992 pay raise and \$75,000 for the 1993 pay raise.
- b. A total increase of \$200,000 to further the development of MAPS/AIMS.

Need for Change. Fiscal Year 1993 represents the first year of a microcomputer systems/telecommunication equipment replacement program within OO. Many of OO's current data base systems for management of USDA's space, real property, personal property, and motor vehicles, valued at millions of dollars, are outdated. As part of Department-wide systems integration initiatives under the MAPS/AIMS project, these systems need to be upgraded and made able to electronically access information from other USDA agencies' subsystems. Also, emphasis will be placed on upgrading/replacing OO's telecommunications equipment to provide adequate data communications capabilities for access to the NFC in New Orleans.

This increase will allow one staff year for OO's continued participation in the MAPS/AIMS project, allow for increased computerization of the office's work, and provide electronic linkages with other USDA agencies. To accomplish this modernization requires extensive planning, oversight, coordination, redesign of existing property management systems, training of agency personnel, and increased staff technical support.

Nature of Change. Increased resources will be used for salary, benefits, and operational costs, including travel, associated with the added staff year to provide technical assistance for OO's portion of the MAPS/AIMS project. Approximately \$130,000 will be used for equipment replacement, memory expansion, acquiring updated peripheral equipment, and obtaining software. Computer linkage would be made with the Departmental Local Area Network (LAN). This will address increasing demands for local area network data storage and sharing, as well as ever increasing use of the NFC data and management systems by replacing existing, and purchasing additional, telecommunications equipment. Funds will be used to replace or upgrade the remaining personal computers and provide resources for minor repairs until replacement. Due to the expanded use of this equipment, its life expectancy that ranges from 5 to 8 years, and changes in technology, OO must either replace or upgrade all ADP workstation components.

- c. An increase of \$173,000 to redesign the Equipment Management Information System.

Need for Change. Subtitle C of Title XV of the Consolidated Omnibus Budget Reconciliation Act of 1985, P.L. 99-272, requires the Secretary to have a single data collection system to capture and monitor vehicular and aircraft costs and uses. Currently, most agencies use a manual system to collect data on owned, leased, borrowed, rented, and chartered aircraft and aircraft services. The current motor vehicle system was developed approximately ten years ago and was programmed as a flat file. Current technology and processing needs necessitate that the system be redesigned as an interactive data base management system for improved performance, at the same time, expanding and changing the data requirements to meet current reporting needs. The automated aircraft information system would be designed as a part of the redesigned Equipment Management Information System (EMIS). With less resources available and increased emphasis on improving operational cost, determining availability of commercial sources, and cross-utilization of Government-owned vehicles, the Department must have inventory and operational data to assist in the overall management of its equipment resources. The redesigned EMIS will have interface capability to provide necessary upward reporting by the Secretary of data to the Congress, OMB, GSA, and the public, as well as provide retrieval capability for informational needs of the agencies.

Nature of Change. This increase will cover salaries, benefits, and operating costs associated with two staff years for the development, installation, and implementation of the aircraft information system, and the redesign of the motor vehicle system.

- (4) Office of Information Resources Management - an increase of \$1,298,000 consisting of:

- a. An increase of \$148,000 for pay costs which consist of \$38,000 for annualization of the 1992 pay raise and \$110,000 for the 1993 pay raise.
- b. An increase of \$150,000 for the Standard Information Exchange System (SIES).

Need for Change. The SIES provides computer services to the Secretarial and Departmental Staff Offices, including a system that can be used by agencies and Department staff offices for document transfer, message handling and scheduling of appointments and activities. The SIES system started with 121 users, there are now 165 users and OIRM expects to have 250 users by FY 1993. This increase will permit expansion in system capacity and enable this activity to continue to support the Office of the Secretary, policy official, and agency head communications link, to support new services requested by users of the system, and to provide funding for increased use of the USDA Local Area Network System (LANS).

Nature of Change. This increase will pay for increased service levels for computer services to the Secretarial and Departmental Staff Offices. This increase will provide hardware and software for new users and to maintain current software versions for existing customers.

- c. An increase of \$1,000,000 to strengthen OIRM oversight and guidance.

Need for Change. As agency activities and expenditures in IRM increase, a stronger Departmental approach is required to ensure information sharing and coordination on joint or cross-cutting issues. OIRM must expand its oversight and guidance role. Currently, OIRM attempts to spread its limited resources across the various functional areas of IRM as defined in the Paperwork Reduction Act and in OMB Circular A-130.

USDA agencies planned to spend approximately \$900 million for IRM activities during FY 1993. This reflects a continuing annual increase for IRM in the total USDA budget. It is recognized that better acquisition, management, and application of information and information technology can produce significant improvements in the delivery of USDA programs to the American people. However, to effect such improvements, increased oversight is required. This was the recommendation of GAO following several reviews that found major problems with USDA agency information systems.

In response, OIRM is proposing to strengthen its oversight of agencies' IRM to address the following problems:

- Agency and Departmental policy officials do not always have access to timely and relevant information for program evaluation and decision making.
- IRM initiatives addressing cross-cutting issues are poorly coordinated across agency lines.
- Major IRM acquisitions and information systems are planned without consideration for information sharing required by other agencies, Departments, and the public.
- Opportunities for coordination and sharing are lost because OIRM is not aware of agency activities.
- Smaller agencies lacking the requisite technical skills in IRM fail to achieve the benefits available through effective use of information technology.

Nature of Change. Increased resources will be used for salaries, benefits and general operating costs and equipment associated with 11 added staff years. Further, some contractor support will be needed for technical expertise on certain systems that is unavailable in OIRM and would not be efficient to staff. The following would be improved with the increased resources:

- Improved understanding and more effective impact on agency IRM plans during the earliest stages of development.
- Increased oversight during the acquisition process including evaluation of technical proposals, procurement strategies, and benefit/cost studies.
- Improved analysis of agency IRM budget requests, in conjunction with the OBPA, during the Departmental internal budget review process.
- Closer tracking of major agency IRM programs and expenditures against plans and budgets to catch problems earlier. Specific focus would be placed on the top five agencies that spend almost 75% of the USDA total for IRM.
- Improved ability to obtain and maintain information about agency past, current, and planned IRM activities.
- Improved coordination of interagency projects. This will become increasingly important as legislation and other demands for information sharing increase and joint agency projects need independent coordination.
- Closer coordination between program staff and IRM staffs throughout the planning, acquisition, implementation, and review process to assure that data base systems meet program needs in the most effective way possible.
- Increased ability by the Administration to review IRM programs and to receive the data needed to evaluate budget and program requirements.

(5) Office of Advocacy and Enterprise - an increase of \$524,000 consisting of:

- a. An increase of \$124,000 for pay costs which consist of \$35,000 for annualization of the 1992 pay raise and \$89,000 for the 1993 pay raise.
- b. An increase of \$400,000 for Equal Opportunity Programs.

Need for Change. The primary function of the Equal Opportunity office within OAE is to provide oversight and guidance to USDA agencies' activities for development of affirmative employment and federal equal opportunity recruitment plans; for implementation plans for carrying out nondiscrimination in program services; and for statistical reports on Departmental employment. Also, OAE functions directly with USDA agencies providing technical assistance and training; onsite complaint investigations, and onsite reviews for compliance with Department equal opportunity policies. As a result of reduced staffing due to underfunding, only two onsite reviews were performed in FY 1990; and only five onsite complaint investigations were performed. The number of complaints received alleging discrimination in USDA program benefits has increased by 26 percent on average in the last three years (666 per year average 1988-1990) compared to the three years previous (528 per year average 1985-1987). The average time to process a complaint alleging discrimination in USDA credit programs (FmHA) has been 380 days. The goal is to process all such complaints in 180 days or less, which is the same time limit established by Federal law for resolving employment complaints.

Nature of Change. These funds will provide an additional two staff years to respond to findings by the Secretary's Compliance Review Task Force and the Office of Personnel that the Equal Opportunity staff workload requirements exceed the resources assigned; and to address Congressional concerns that OAE is not adequately staffed to handle USDA's compliance review and compliance investigation requirements. In addition funds will be used to pay for an increase in overtime due to (1) the increased number of reviews and to produce evaluation reports within 60 days of the completion of field work, and (2) to reduce the processing time for complaints. Funds will be used also to pay for three employees expected to retire in FY 1993. Funds will also be used for travel to do onsite compliance reviews and complaint investigations to respond to agency requests for onsite technical assistance. On average, about five onsite complaint investigation have been done in recent years. Based on historical data, each investigation has averaged \$1,500 and employment and compliance reviews averages \$15,000 a year. It is projected that 10 reviews will be done in FY 1993. Also, funds will also be used to train existing EO staff and the additional staff requested. In addition, funds will be used to continue OAE's five year plan for modernizing ADP equipment by purchasing computers and printers for new staff and replacing older equipment.

(6) Administrative Law Judges/Judicial Officer - an total increase of \$104,000 consisting of:

- a. An increase of \$29,000 for pay costs which consist of \$6,000 for annualization of the 1992 pay raise and \$23,000 for the 1993 pay raise.
- b. An increase of \$75,000 for an assistant to the Judicial Officer.

Need for Change. The Judicial Officer requests an assistant to handle anticipated increases under the fruit and vegetables marketing order cases. Appeals to fruit and vegetable marketing order cases usually require 3 or 4 months to prepare because they frequently involve 15 or 20 separate issues with hundreds of pages of briefs citing hundreds of cases. There have been no workload reductions in other program areas to offset the increases in marketing orders. The Judicial Officer's workload has increased each year both in complexity of cases, number of pages of hearings, pleading, depositions and

testimony, and the number of cases received. The number of cases is not as significant as the case size. The number of decisions rendered is not as important as the number of substantial decisions. The Judicial Officer plans to retire in fiscal year 1994 and wants to train another attorney with some experience with fruit and vegetable marketing cases.

Nature of Change. Increased resources will be used for an additional staff assistant and associated operational costs.

(7) A decrease of \$50,000 for the National Communications System.

Need for Change. This activity represented USDA's proportionate share of the cost of developing a nation-wide emergency preparedness telecommunications network established by Presidential National Security Decision Directive number 201. No funds were obligated in FY 1991 for this purpose and its is anticipated that funds are no longer required.

Nature of Change. Resources will be decreased for the purpose of this payment.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and Estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>	<u>Amount</u>	<u>Staff- Years</u>
Washington, D.C.	\$22,798,440	359	\$25,064,000	399	\$28,591,000	424
Unobligated balance	253,260	--	--	--	--	--
Total, Available or Estimate	23,052,000	359	25,064,000	399	28,591,000	424

WORKING CAPITAL FUND

Purpose Statement

The USDA Working Capital Fund (WCF) was established in legislation appropriating funds to the Department for FY 1944 and by 7 U.S.C. 2235. The WCF is used to finance services provided to USDA and non-USDA agencies on a centralized basis. The costs of providing services to all WCF clients are recovered on the basis of the level of service each client receives. Services to non-USDA agencies reduce the share of fixed costs for WCF-supported services as the number of agencies sharing those costs expands.

Centrally managed operations provide efficient, economical services through economies of scale, extensive management attention, and high-level, regular fund control reviews. Users benefit from cost avoidances for administrative and support services. The Director, Office of Finance and Management (OFM), serves as WCF Comptroller, serving to monitor and supervise fund management activities. Five USDA agencies: OFM, the Office of Operations (OO), the Office of Public Affairs (OPA), the Office of Information Resources Management (OIRM), and the Office of the Executive Secretariat manage activities supported by the Fund. With the exception of OPA activities, all are under the direct supervision of the Assistant Secretary for Administration. OPA activities are supervised by the Director, Office of Public Affairs.

OFM manages the National Finance Center (NFC), which provides financial and administrative management services to USDA agencies and more than 30 non-USDA entities.

OPA manages 2 WCF activities -- Video and Teleconferencing Services (V/T), and Design Center. V/T provides video production services to USDA agencies, and studio and production facilities for teleconferences in which USDA agencies participate. Design Center provides USDA agencies with exhibit design and visitor center support services.

OIRM manages 6 activity centers. Under the National Computer Center (NCC) umbrella organization, established in March 1991, there are three activity centers: NCC/Mainframe, located in Kansas City, Missouri; NCC/FTS-2000, located in Fort Collins, Colorado; and NCC/Applications Design, also in Fort Collins. NCC provides mainframe computing services, ADP training, and other ADP services to USDA agencies and a small number of non-USDA entities. NCC/FTS-2000 manages telecommunications services on behalf of USDA agencies. NCC/Applications Design supports systems and software development services to USDA agencies and non-USDA users. The Computer Services Unit provides ADP services to the Office of the Secretary and Departmental staff offices. The Telephone Services Operation is responsible for equipment and telephone system maintenance. Local Area Network operates and maintains the local area network system serving the Headquarters buildings complex.

OO provides personal property management, mail and reproduction management, and executive support services through 10 activity centers. Central Supply-Stores and Central Supply-Forms provide centralized supply and forms management, as well as warehousing and inventory services. Central Excess Property Operation provides Departmental agencies with excess and surplus property disposition services in addition to furniture rehabilitation services. Central Mail Unit, Copier Service, Duplicating Unit, and Automated Mailing List Service furnish USDA agencies with door-to-door mail pick up and delivery services, walk up and short order copier services, special order duplicating services, and updating and maintenance of the various Departmental mailing lists. Central Imprest Fund,

Central Shipping and Receiving, and Agriculture Contract Automation System, offer a variety of executive support services to USDA agencies. Among these include cash disbursement for small purchases and travel, receipt and shipment of parcels, and maintenance of a procurement language software system.

The Office of the Executive Secretariat (OES) was established in 1991 to improve correspondence management, tracking, and recordkeeping for the Department. It replaces the Executive Correspondence and Records Unit, which had been managed by the Office of Operations.

WORKING CAPITAL FUND

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters	\$5,290,000	\$5,850,000	\$6,174,000
Field	<u>53,740,000</u>	<u>57,432,000</u>	<u>62,040,000</u>
11 Total personnel compensation	59,030,000	63,282,000	68,214,000
12 Personnel benefits	9,044,000	9,874,000	10,670,000
13 Benefits for former personnel	<u>130,000</u>	<u>120,000</u>	<u>124,000</u>
Total pers. comp. & benefits	<u>68,204,000</u>	<u>73,276,000</u>	<u>79,008,000</u>
Other Objects:			
21 Travel	1,075,000	1,458,000	1,477,000
22 Transportation of things	303,000	748,000	754,000
23.1 Building rental	4,176,000	4,942,000	4,679,000
23.2 Communications, utilities, and misc. charges	18,207,000	23,069,000	28,251,000
24 Printing and reproduction	1,106,000	1,091,000	1,120,000
25 Other services	43,059,000	44,170,000	45,262,000
26 Supplies and materials	6,739,000	7,366,000	8,020,000
31 Equipment	16,506,000	15,613,000	16,089,000
43 Interest and dividends	<u>9,000</u>	<u>2,000</u>	<u>2,000</u>
Total other objects	<u>91,180,000</u>	<u>98,459,000</u>	<u>105,654,000</u>
Total	<u>159,384,000</u>	<u>171,735,000</u>	<u>184,662,000</u>

Position Data:

Average Salary, ES positions	\$99,689	\$102,830	\$107,538
Average Salary, GM/GS positions	\$24,217	\$26,647	\$28,447
Average Grade, GM/GS positions	8.1	8.3	8.4

WORKING CAPITAL FUNDProgram Activity:

Operating Estimate, 1992	\$156,649,000
Budget Estimate, 1993	<u>168,933,000</u>
Increase Over 1992	<u>+ 12,284,000</u>

PROJECT STATEMENT
(On basis of program activity)

Project	1991 Amount	Staff: Years	1992 (Estimated) Amount	Staff: Years	Increase or Decrease	1993 (Estimated) Amount	Staff Years
1. Supp./Oth.:							
Cent. Svc.:	\$14,723,000:	174:	\$17,175,000:	200:	+\$286,000:	\$17,461,000:	200
CS-Stores	1,907,000:	7:	2,002,000:	8:	+72,000:	2,074,000:	8
CS-Forms	2,540,000:	20:	3,314,000:	30:	+110,000:	3,424,000:	30
Cent. Mail	2,887,000:	81:	2,849,000:	89:	+103,000:	2,952,000:	89
Exec. Sec.	779,000:	12:	1,946,000:	12:	-147,000:	1,799,000:	12
AGCAS	139,000:	2:	234,000:	2:	+14,000:	248,000:	2
CSR	341,000:	1:	378,000:	1:	+20,000:	398,000:	1
CEPO	1,580,000:	10:	1,546,000:	12:	+4,000:	1,550,000:	12
Impr. Fund	139,000:	4:	167,000:	5:	+21,000:	188,000:	5
Cop./Dupl.	4,411,000:	37:	4,739,000:	41:	+89,000:	4,828,000:	41
2. Vid./Tele. and Visual Des. Svcs.	5,078,000:	24:	4,069,000:	26:	+84,000:	4,153,000:	27
Vid./Tele. Des. Ctr.	1,988,000:	12:	1,540,000:	13:	+64,000:	1,604,000:	13
	3,090,000:	12:	2,529,000:	13:	+20,000:	2,549,000:	14
3. Finance and Mgt.	83,472,000:	1,370:	94,193,000:	1,338:	+11,693,000:	105,886,000:	1,413
4. ADP Svcs:	40,585,000:	189:	41,212,000:	201:	+221,000:	41,433,000:	201
NCC/MF	36,378,000:	163:	33,475,000:	139:	-327,000:	33,148,000:	132
NCC/FTS	1,844,000:	17:	2,757,000:	24:	+276,000:	3,033,000:	25
NCC/AD	0:	0:	2,236,000:	29:	197,000:	2,433,000:	35
CSU	1,220,000:	9:	1,331,000:	9:	+42,000:	1,373,000:	9
TSO	504,000:	0:	687,000:	0:	+22,000:	709,000:	0
LAN	639,000:	0:	726,000:	0:	+11,000:	737,000:	0
Total							
Recur. Op.	143,858,000:	1,757:	156,649,000:	1,765:	+12,284,000:	168,933,000:	1,841
Cap. Equip.	15,526,000:	0:	15,088,000:	0:	+641,000:	15,729,000:	0
Total . .	<u>159,384,000:</u>	<u>1,757:</u>	<u>171,737,000:</u>	<u>1,765:</u>	<u>+12,925,000:</u>	<u>184,662,000:</u>	<u>1,841</u>

FUNDING FROM NON-USDA AGENCIES
(On basis of program activity)

Project	1991	:	1992 (Estimated)	:	Increase:	1993 (Estimated)
	Amount	:	Amount	:	or	Amount
		:		:	Decrease:	
1. Suppl./Oth. Cent. Svc.	\$1,443,000	:	\$1,672,000	:	+\$47,000	\$1,719,000
2. Vid./Tel. and Visual Des. Svcs.	37,000	:	37,000	:	+1,000	38,000
3. Finance & Mgt.	34,030,000	:	45,586,000	:	+9,874,000	55,460,000
4. ADP Svcs.	82,000	:	328,000	:	+39,000	367,000
Total . . .	35,592,000	:	47,623,000	:	+9,961,000	57,584,000

SUMMARY OF INCREASES AND DECREASES
(Program Activity)

	<u>1992</u> <u>Estimated</u>	<u>Program</u> <u>Changes</u>	<u>1993</u> <u>Estimated</u>
<u>Item of Change</u>			
1. Supply and Other Central Services	\$17,175,000	+\$286,000	\$17,461,000
Central Supply Stores	2,002,000	+72,000	2,074,000
Central Supply Forms	3,314,000	+110,000	3,424,000
Mail Distr. Service	2,849,000	+103,000	2,952,000
Off. of Exec. Sec.	1,946,000	-147,000	1,799,000
Agri. Cont. Auto. Sys.	234,000	+14,000	248,000
Central Ship. & Rec.	378,000	+20,000	398,000
Cent. Excess Prop. Oper.	1,546,000	+4,000	1,550,000
Cent. Imprest Fund	167,000	+21,000	188,000
Cop./Dupl. Center	4,739,000	+88,000	4,828,000
2. Video & Telecon., and Vis. Design Svcs	4,069,000	+84,000	4,153,000
Video and Teleconf.	1,540,000	+64,000	1,604,000
Visual Design Svcs.	2,529,000	+20,000	2,549,000
3. National Finance Ctr . .	94,193,000	+11,693,000	105,886,000
4. ADP Services	41,212,000	+221,000	41,433,000
NCC/Mainframe	33,475,000	-327,000	33,148,000
NCC/FTS-2000	2,757,000	+276,000	3,033,000
NCC/Appl. Design	2,236,000	+197,000	2,433,000
Computer Services Unit	1,331,000	+42,000	1,373,000
Telephone Service Oper.	687,000	+22,000	709,000
Local Area Network	<u>726,000</u>	<u>+11,000</u>	<u>737,000</u>
Total Recurring Operations	156,649,000	+12,284,000	168,933,000
Capital Equipment Acquisitions	<u>15,088,000</u>	<u>+641,000</u>	<u>15,729,000</u>
Total	<u>\$171,737,000</u>	<u>+12,925,000</u>	<u>184,662,000</u>

WORKING CAPITAL FUND

Explanation of Program

Authorized under Public Law 78-129, making appropriations to USDA for FY 1944 (7 U.S.C. 2235), the USDA Working Capital Fund finances services provided to USDA agencies on a centralized basis. Under the law, only activities approved by the Director of the Office of Management and Budget (OMB) may be carried out under the Fund. Centralization is recommended by the Department and approved by OMB when:

- Centralization will result in cost savings due to:
 - Economies of scale
 - Reduced overhead
 - Central cost-based management
 - Coordination which avoids duplication of effort among agencies
- Centralization offers other advantages such as:
 - Improved services to agencies and to the public
 - Availability of services to agencies which could not afford them except on a centralized basis
 - Ability to replace equipment on a long-term basis through the use of depreciation charges to users

The Fund received an initial appropriation of \$400,000 for FY 1944. Over the years, additional working capital has been made available through initial transfers into the Fund of activities meeting the above criteria and through Congressional authorizations to receive growth capital from serviced USDA agencies. WCF operations are financed by charging user agencies the actual costs of providing required services. The following are services financed through the Fund:

Supply and Other Central Services. The Office of Operations manages the following services under this category: (a) central supply, which provides for the acquisition, receipt, storage, issuance, packing, and shipment of office and other supplies, blank forms, and miscellaneous materials for the Department and other Government agencies; (b) central mail services, which include operation of the USDA mail processing, messenger, and automated mailing list services; (c) central excess property, which coordinates receipt, rehabilitation, and distribution of personal property for the Department and other Government agencies; (d) central shipping and receiving services; (e) central imprest fund, which provides cash advances for small purchases and travel; (f) automated contract system used by agencies and staff offices to prepare procurement documents; and (g) copier and duplicating services which provide duplicating, reproducing, binding, addressing and mailing, and short-order and walk-up copier stations for duplicating and xerographic production. The Office of the Executive Secretariat provides referral and correspondence control services for mail addressed to the Secretary, the immediate Office of the Secretary, and the Department.

Video and Teleconferencing, & Visual Design Services. These activities, managed by the Office of Public Affairs plan, design, and produce visual information materials, exhibits, art, and graphics materials for the Department and other Government agencies.

National Finance Center. This activity in the Office of Finance and Management designs, develops, implements, and operates centralized administrative systems for the Department. Centralized payroll, personnel, voucher and vendor payments, billings and collections, property management, accounting, and financial recordkeeping systems are currently provided. It also produces external financial reports to Treasury and other agencies, and internal management reports for Departmental agencies.

In addition, the National Finance Center provides financial and accounting services to a number of other Federal Departments through "cross-servicing" agreements and serves as recordkeeper for the Thrift Savings Plan System under the Federal Employee Retirement System.

Automated Data Processing (ADP) Services. This activity in the Office of Information Resources Management (OIRM) operates three activities under an umbrella National Computer Center organization. These are: NCC/Mainframe, in Kansas City, Missouri; NCC/FTS-2000, in Fort Collins, Colorado; and NCC/Applications Design, also in Fort Collins. These activities provide ADP services -- mainframe computer processing, telecommunications services, and software and system application development -- to USDA and other agencies. OIRM also manages the Computer Services Unit, which provides ADP services to Departmental Staff Offices and the Office of the Secretary; the Telephone Service Operation office, which coordinates the maintenance and operation of telephone equipment for Washington-area USDA offices; and the Local Area Network office, which provides telecommunications service and support for Washington-area USDA offices.

JUSTIFICATION OF INCREASES AND DECREASES

Centralized administrative services enable users to receive high-quality services at the lowest possible cost of operation. Services are operated in this manner in an effort to minimize unit costs for recurring operations. Expectations of progress in minimizing unit costs, as well as expected increases in USDA and non-USDA demand for Fund-supported services serve as the basis for the FY 1992 revised and FY 1993 initial Working Capital Fund (WCF) cost estimates.

Centralized administrative services are subject to regular oversight consistent with both Administration management initiatives and Departmental productivity improvement activities. This oversight is undertaken to determine whether these activities should continue as centrally managed services and offers Departmental management analyses of alternative operating methods. Enhanced productivity and cost-effectiveness result. The results of such oversight exercised in FY 1991 are reflected in the revised FY 1992 and initial FY 1993 cost estimates provided. As regular oversight is conducted, these estimates may be adjusted significantly, subject to review and approval by Departmental management.

The following is an explanation of program activity changes from FY 1992 to FY 1993 currently anticipated.

(1) An increase of \$286,000 for recurring operations of Supply and Other Central Services consisting of:

Central Supply Stores	+\$72,000
Central Supply Forms	+110,000
Mail Distribution Service	+103,000
Office of the Executive Secretariat	-147,000
Agriculture Contract Automation System	+14,000
Central Shipping and Receiving	+20,000
Central Excess Property Operation	+4,000
Central Imprest Fund	+21,000
Copier/Duplication Center	+88,000
Total	+\$286,000

Need for Change. Cost increases in this area are, for the most part, inflationary. The reduction in the Office of the Secretariat reflects decreases in other services.

Nature of Change. Cost increases in excess of inflation are expected for Central Imprest Fund, Central Shipping and Receiving, and duplicating services in the Copier/Duplication Center. Central Imprest Fund increases reflect an expected increase in demand and equipment costs. In Central Shipping and Receiving, non-inflationary increases are due to equipment use and maintenance charges. Non-inflationary cost increases in duplicating services are due to increased supply and equipment costs. In the Office of the Executive Secretariat, the decrease is due to completion of feasibility studies in FY 1992 that examine data storage, processing, and other systems in support of the reconfigured activity center (this was the Executive Correspondence and Records Unit prior to FY 1992).

(2) An increase of \$84,000 for recurring operations of Video and Teleconferencing, and Visual Design Services consisting of:

Video and Teleconferencing Services	+\$64,000
Design Services	+20,000
Total	+\$84,000

Need for Change. Cost increases for Visual Design Services are expected to be less than inflation. Service-related cost increases are principally in contract support and equipment areas.

Nature of Change. Non-inflationary cost increases in Video and Teleconferencing Services reflect increases in depreciation on new equipment to improve reliability of service and contract support costs. All cost increases in Design Services reflect personnel cost inflation.

(3) An increase of \$11,693,000 for recurring operations of the National Finance Center (NFC).

Need for Change. Demand continues to increase at the NFC. Fulfillment of prior service obligations to non-USDA users will result in a significant increase in costs associated with services to non-USDA agencies (about 85 percent of the total cost increase of \$11.7 million).

Nature of Change. Non-inflationary cost increases at the NFC reflect costs for additional personnel, needed to meet increased non-USDA demand for services, and equipment expenses (purchase and rental of equipment, maintenance, software support, etc.) related to mainframe computer and other equipment needed to process expected increases in total workload volume. The most significant increases in workload volume will come in payroll/personnel services, which is a reflection of greater non-USDA activity.

(4) A net increase of \$221,000 for recurring operations of ADP systems consisting of:

NCC/Mainframe	-\$327,000
NCC/FTS-2000	+276,000
NCC/Applications Design	+197,000
Computer Services Unit	+42,000
Telephone Service Operations	+22,000
Local Area Network	+11,000
Total	+\$221,000

Need for Change. Users of ADP services have indicated an increasing need for telecommunications and system/application design services, resulting in increased costs in these areas. Improvements in technological and management efficiency will contribute to a partial offsetting decrease in mainframe ADP services.

Nature of Change. Despite an expected 12 percent increase in demand for mainframe computer processing (IBM services) and data storage services, there will be a decrease in costs for these services in FY 1993. This is the result of lower building rental, other contract support costs, lower estimates for depreciation costs on ADP equipment, and some shifting of personnel costs to new organizations in the National Computer Center framework. Increases in FTS-2000 costs will be the result of efforts to optimize the USDA data communications network and improve the network management system data base, as well as increased personnel costs. In Applications Design, contracting costs and personnel are the reasons for expected cost increases. The three activity centers of the umbrella "National Computer Center" organization (Mainframe, FTS-2000, and Applications Design) are an outgrowth of a reorganization of ADP services in FY 1991 (the old configuration included the National Computer Center/Kansas City and the National Computer Center/Fort Collins). When

these three activity centers are taken together, there is a \$146,050 increase in recurring costs. In the Computer Services Unit, personnel cost inflation is partially offset by reductions in depreciation costs on equipment. Telephone Service Operations cost increases are entirely due to inflation estimates, while Local Area Network expects costs to increase due to the installation of an additional data channel to accommodate projected increases in service demand.

(5) An expenditure of \$15,729,000 for capital acquisitions in FY 1993 (\$15,088,000 in FY 1992):

(a) Capital acquisitions for Supply and Other Central Services of \$961,000.

Central Supply Stores	\$0
Central Supply Forms	0
Mail Distribution Service	79,000
Office of the Executive Secretariat	130,000
Agriculture Contract Auto. System	0
Central Shipping and Receiving	0
Central Excess Property Operation	0
Central Imprest Fund	0
Copier/Duplication Center	752,000
Total	\$961,000

Need for Change. All expenditures will be in mail distribution services, copier/duplicating services, and executive correspondence management and tracking.

Nature of Change. Acquisitions in copier/duplicating services will take advantages of newer technology in large and medium volume copiers and respond to expected increases in demand for such services. Mail distribution services will obtain equipment to improve operations and take advantage of ADP technologies in maintaining mailing list data. The Office of the Executive Secretariat will procure equipment in an effort to improve tracking of executive correspondence and data storage capacity.

(b) Capital acquisitions for Video and Teleconferencing, and Visual Design Services of \$295,000.

Video and Teleconferencing Services	\$239,000
Visual Design Services	56,000
Total	\$295,000

Need for Change. Most of the FY 1993 amount is in response to the need to improve the quality and reliability of services in video and teleconferencing services. Design services will realize improvements in production and graphics capabilities through its procurements.

Nature of Change. Acquisitions in video and teleconferencing services include network and teleconferencing equipment to improve those services and respond to expected increases in demand. Further, production equipment upgrades (editing system, studio equipment, field video equipment) will improve the quality and reliability of service to USDA agencies. Purchase of computers and xerographic equipment will enable the Design Center to improve the graphics and reproduction capabilities of its operations. Other acquisitions will support improvements in exhibit design and production.

(c) Capital acquisitions for the National Finance Center of \$12,283,000.

Need for Change. Purchases are needed to meet expected increases in service demand, provide emergency power supply to avoid interruption of service, address telecommunications/video conferencing needs, and other ADP-related needs.

Nature of Change. Upgrading mainframe computer operations and providing emergency power supply to respond to expected demand and avoid service interruptions will make up about two-thirds of total acquisitions. The remainder will be spent on telecommunications and video conferencing equipment, mail support, data base support, and other ADP-related equipment.

(d) Capital acquisitions for ADP Services of \$2,190,000.

NCC/Mainframe	\$1,755,000
NCC/FTS-2000	250,000
NCC/Applications Design	75,000
Computer Services Unit	100,000
Telephone Service Operations	10,000
Local Area Network	0
Total	\$2,190,000

Need for Change. Most of the FY 1993 amount (80 percent) will be devoted to mainframe computer services. Acquisitions in ADP Services will address mainframe equipment and support needs, personal computer equipment needs, and telecommunications support requirements.

Nature of Change. Mainframe computer and system operations will benefit from software acquisitions and peripheral equipment acquisitions. Telecommunications and teleconferencing services will also be improved through related equipment acquisitions.

Working Capital Fund
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and Estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff</u> <u>Years</u>	<u>Amount</u>	<u>Staff</u> <u>Years</u>	<u>Amount</u>	<u>Staff</u> <u>Years</u>
Colorado	\$2,202,000	17	\$5,220,000	53	\$5,791,000	60
District of Columbia	24,455,000	178	19,212,000	195	19,422,000	196
Louisiana	90,132,000	1,362	102,735,000	1,330	117,496,000	1,405
Maryland	6,218,000	37	6,950,000	48	7,049,000	48
Missouri	36,377,000	163	37,620,000	139	34,904,000	132
Total, Available or Estimate . . .	<u>\$159,384,000</u>	<u>1,757</u>	<u>\$171,737,000</u>	<u>1,765</u>	<u>\$184,662,000</u>	<u>1,841</u>

RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

Purpose Statement

This account finances the appropriated portion of payments to the General Services Administration (GSA) for rental of leased space and related services. Funding is not provided for payments to GSA made by the Forest Service, since the Forest Service is funded in the Interior and Related Agencies Appropriations Act.

This account also finances operations and maintenance activities under authorities delegated to the Department by GSA. On October 1, 1984, GSA delegated authority to USDA to operate, maintain, repair and make minor improvements to the USDA downtown D.C. building complex, which encompasses 14.1 acres of ground and four buildings containing approximately three million square feet of space occupied by approximately 8,000 employees.

As of September 30, 1991, there were 81 permanent full-time employees assigned to the operations and maintenance activities financed by this account. All were located in Washington, D.C.

RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters	\$3,217,667	\$3,307,000	\$3,619,000
11 Total personnel compensation	3,217,667	3,307,000	3,619,000
12 Personnel Benefits.....	515,682	539,000	590,000
13 Benefits for former personnel.....	<u>2,467</u>	<u>2,000</u>	<u>2,000</u>
Total pers. comp & benefits...	3,735,816	3,848,000	4,211,000
Other Objects:			
21 Travel.....	15,436	10,000	10,000
22 Transportation of things....	5,809	3,000	3,000
23.2 Rental payments to others...	46,120,802	45,898,000	45,503,000
23.3 Communications, utilities, and misc. charges.....	4,774,413	4,280,000	4,280,000
24 Printing.....	20,726	15,000	15,000
25 Other services.....	17,336,414	21,494,000	21,913,000
26 Supplies and materials.....	698,626	500,000	500,000
31 Equipment.....	613,250	300,000	300,000
32 Land and Structures.....	<u>173,807</u>	<u>250,000</u>	<u>250,000</u>
Total other objects.....	69,759,283	72,750,000	72,774,000
Total direct obligations.....	<u>\$73,495,099</u>	<u>\$76,598,000</u>	<u>\$76,985,000</u>

Position Data:

Average Salary, GM/GS position...	\$37,124	\$36,292	\$37,998
Average Grade, GM/GS positions...	10.38	10.11	10.11

RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rental Payments (USDA)

For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, [\$51,203,000] \$50,503,000 of which \$5,000,000 shall be retained by the Department of Agriculture for non-recurring repairs as determined by the Department of Agriculture: Provided, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 percentum of the funds made available for space rental and related costs to or from this account.

Building Operations and Maintenance

For the operation, maintenance, and repair of Agriculture buildings pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486, [\$25,700,000] \$26,482,000.

RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

Appropriation Act, 1992.....	\$76,903,000
Budget Estimate, 1993.....	<u>76,985,000</u>
Increase in Appropriation.....	<u>+82,000</u>

Adjustments in 1992:

Appropriations Act, 1992.....	\$76,903,000
Funds transferred to other agencies for leases transferred from GSA and moves out of GSA space a/.....	<u>-305,000</u>
Adjusted Base for 1992.....	76,598,000
Budget Estimate, 1993.....	<u>76,985,000</u>
Increase over adjusted 1992.....	<u>+387,000</u>

a/ Transfers to other agencies include: Soil Conservation Service (\$220,000), Farmers Home Administration (\$45,000), National Agricultural Statistics Service (\$40,000).

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Rental Payments to GSA.....	\$50,898,000	--	-395,000	\$50,503,000
Building Operations and Maintenance.....	<u>25,700,000</u>	<u>+\$185,000</u>	<u>+\$597,000</u>	<u>26,482,000</u>
Total Available.....	<u>76,598,000</u>	<u>+185,000</u>	<u>+202,000</u>	<u>76,985,000</u>

PROJECT STATEMENT
(On basis of adjusted appropriation)

	<u>1991</u>		<u>1992</u>		<u>1993</u>
	<u>Actual</u>		<u>Estimated</u>		<u>Estimated</u>
<u>Item of Change</u>	<u>Amount</u>	<u>Staff:</u>	<u>Amount</u>	<u>Staff:</u>	<u>Amount</u>
		<u>Years</u>		<u>Years</u>	
1. Rental					
Payments.....	\$48,427,784:	--:	\$50,898,000:	--:	\$50,503,000:
2. Building					
Operations					
& Mainte-					
nance.....	25,067,315:	81:	25,700,000:	87:	26,482,000:
Unobligated					
balance.....	45,754:	--:	--:	--:	--:
Total, available					
or estimate.....	<u>73,540,853:</u>	<u>81:</u>	<u>76,598,000:</u>	<u>87:</u>	<u>76,985,000:</u>
Transfer to:					
SCS.....	739,968:	--:	220,000:	--:	
FmHA.....	87,274:	--:	45,000:	--:	
NASS.....	23,844:	--:	40,000:	--:	
AMS.....	5,100:	--:	0:	--:	
Total, Trans..	<u>+856,186:</u>	<u>--:</u>	<u>+305,000:</u>	<u>--:</u>	
G-R-H Reduction..	<u>+961:</u>	<u>--:</u>	<u>0:</u>	<u>--:</u>	
Total, Appro-					
priation.....	<u>74,398,000:</u>	<u>81:</u>	<u>76,903,000:</u>	<u>87:</u>	

EXPLANATION OF PROGRAM

This appropriation provides funding for the following activities:

Rental Payments to GSA. The fiscal year 1983 Agriculture Appropriations Act (P.L. 97-370) consolidated most of the Department's rental payments to the General Services Administration (GSA) into a single appropriation. This activity does not provide funding to cover space costs incurred in other funding areas such as trust funds, the Working Capital Fund, and other non-appropriated funds. The amount in this account represents the appropriated portion of the total Departmental charges for rent payments to the GSA for all agencies and staff offices of the Department except the Forest Service. In addition, the appropriation provides for the retention of funds by USDA for non-recurring repairs.

Building Operations and Maintenance. On October 1, 1984, GSA delegated the operations and maintenance functions for the buildings in the D.C. complex to the Department. This activity provides Departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. GSA expanded the delegation to include two additional buildings on October 1, 1986; however, USDA has since relinquished the space. GSA retains responsibility for major non-recurring repairs.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$395,000 for rental payments to GSA.

Need for Change. The decrease is projected for space costs due to reductions in the GSA space inventory and reclassification of space in selected areas to a lower rate.

Nature of Change. This reduction reflects the shift from GSA space to commercial space and the net effect of relocation into less expensive space in selected areas.

- (2) An increase of \$782,000 for building operations and maintenance composed of the following:

- (a) An increase of \$185,000 for pay costs which consists of \$59,000 for annualization of the Fiscal Year 1992 pay raise and \$126,000 for the Fiscal Year 1993 pay raise.

- (b) An increase of \$597,000 to cover increased service contract costs.

Need for Change. The increase will cover yearly pricing adjustments required by the Fair Labor Standards Act and the Services Contract Act, as well as other costs that will increase when building operations and maintenance contracts are renewed. Funding for contracts not requiring service contract wage determinations reflect an inflationary increase of four percent.

Nature of Change. This increase will be used in payment of contracts for service and will permit continuation of the fiscal year 1992 level of activity for USDA occupied space in the Washington, D.C. complex.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and Estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C.....	\$73,495,099	81	\$76,598,000	87	\$76,985,000	87
Unobligated balance	45,754	--	--	--	--	--
Total, Available or Estimate	<u>\$73,540,853</u>	<u>81</u>	<u>\$76,598,000</u>	<u>87</u>	<u>\$76,985,000</u>	<u>87</u>

ADVISORY COMMITTEES

Purpose Statement

The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. The Assistant Secretary for Administration is the principal Department Officer responsible for performing functions and coordinating activities of the Act.

The Agriculture, Rural Development and Related Agencies Appropriations Act of 1983 consolidated all USDA advisory committee funds, except those in the Forest Service and those paid from user fees, in a separate appropriation.

ADVISORY COMMITTEES

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

	1991		1992		1993	
	Actual		Estimated		Estimated	
Item	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
USDA Advisory Committees.....	\$1,406,982	--	\$2,038,000	--	\$1,905,000	--
National Commission on Agriculture and Rural Development.....	50,075	--	--	--	--	--
Total, Advisory Committees.....	1,457,057	--	2,038,000	--	1,905,000	--

ADVISORY COMMITTEES

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation: <u>a/</u>			
11 Total personnel compensation	\$532,393	\$788,000	\$911,000
12 Personnel Benefits.....	<u>85,616</u>	<u>132,000</u>	<u>154,000</u>
Total Pers. Comp & Benefits...	<u>618,009</u>	<u>920,000</u>	<u>1,065,000</u>
Other Objects:			
21 Travel.....	449,232	803,000	512,000
22 Transportation of things....	1,697	2,000	2,000
23.3 Communications, utilities, and other rent.....	13,083	17,000	14,000
24 Printing and reproduction...	26,850	62,000	64,000
25 Other services.....	107,385	199,000	203,000
26 Supplies and materials.....	19,826	22,000	35,000
31 Equipment.....	12,868	13,000	10,000
41 Grants, Subsidies and Contributions.....	<u>30,000</u>	<u>--</u>	<u>--</u>
Total other objects.....	<u>660,941</u>	<u>1,118,000</u>	<u>840,000</u>
Total direct obligations.....	<u>1,278,950</u>	<u>2,038,000</u>	<u>1,905,000</u>

a/ USDA agencies are allowed under the Advisory Committee Act to obligate funds for portions of salaries and benefits for staff-time devoted to the support of these committees.

ADVISORY COMMITTEES

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

For necessary expenses for activities of advisory committees of the Department of Agriculture chartered under the Federal Advisory Committee Act, which are included in this Act, [\$2,038,000] \$1,905,000: Provided, That no other funds appropriated to the Department of Agriculture in this Act shall be available to the Department of Agriculture for support of such committees.

This change permits agencies to continue funding from their own funds peer review panels, committees, commissions, groups, or boards that have been exempted by law from the provisions of the Federal Advisory Committee Act. This change does not affect committee activities funded and reported to the Congress in this appropriation since its enactment.

ADVISORY COMMITTEES

Appropriation Act, 1992.....	\$2,038,000
Budget Estimate, 1993.....	<u>1,905,000</u>
Decrease in Appropriation.....	<u>-133,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
USDA Advisory Committees.....	\$2,038,000	-\$133,000	\$1,905,000

PROJECT STATEMENT
(On basis of appropriation)

<u>Item of Change</u>	<u>1991 Actual</u>	<u>Staff: Amount : Years</u>	<u>1992 Estimated</u>	<u>Staff: Amount : Years</u>	<u>Increase or Decrease</u>	<u>1993 Estimated</u>	<u>Staff: Amount : Years</u>
Advisory.....							
Committees....	\$1,278,950:	--	\$2,038,000:	--	-\$133,000	\$1,905,000:	--
Unobligated Balance							
Lapsing.....	155,682:	--	22,425:	--	--	--	--
Unobligated Balance							
Brought Forward.....	-50,075:	--	-22,425:	--	--	--	--
Unobligated Balance							
Carried For- ward.....	22,425:	--	--	--	--	--	--
Total, available or estimate.....	1,406,982:	--	2,038,000:	--	-133,000(1):	1,905,000:	--
G-R-H Reduction..	+18:	--					
Total, Appropriation..	<u>1,407,000:</u>	--					

EXPLANATION OF PROGRAM

The appropriation provides for financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by user fees or other funds.

The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. In establishing the Act, Congress declared that: committees should be restricted in number to only those essential to provide the necessary expert advice in specialty areas; uniform standards and procedures should govern the establishment, operation, administration and duration of the committees; and Congress should be kept informed of the number and cost of committees.

The FY 1983 Agriculture, Rural Development and Related Agencies Appropriations Act provided a consolidated account for this purpose. Under this consolidated account 42 committees are currently identified for fiscal year 1993. Twenty are established by statute, and the remaining twenty-two are established by the Department, either independently, or upon the recommendation of Congress.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net decrease of \$133,000 for Advisory Committees composed of the following:

- (a) A net increase of \$247,000, composed of \$337,000 for new committees and \$112,000 for expanded activities in existing committees, offset by reductions of \$87,000 for committee terminations and \$115,000 in in-house salaries, travel, and other services for savings associated with reduced levels of committee operations.

Need for Change. The Department is proposing to terminate the Animal Health Science Research Advisory Board, the Scrapie Negotiated Rulemaking Advisory Committee, and the Agribusiness Promotion Council in fiscal year 1993. In addition, the Advisory Committee on Welfare Simplification and Coordination, the President's Council on Rural America, and several other committees will operate at substantially lower funding levels.

The State Technical Committees in the Soil Conservation Service are required by Section 1446 of the Food, Agriculture, Conservation and Trade Act of 1990 (Farm Bill). Fiscal year 1993 is the first year that funding can be made available for the meetings required to provide information, analysis, and recommendations to implement Farm Bill provisions. Also, the National Nutrition Monitoring and Related Research Act requires that the Dietary Guidelines for Americans be reviewed and reissued every five years. The next edition is due in 1995. Since the review process requires two years, it is essential that funds be available in fiscal year 1993 to convene this Committee. Finally, additional funds are provided for essential staff support to the Cost of Production Standards Review Board and to cover increases in committee activities in the Science and Education policy area.

Nature of Change. Funds are provided for in-house staff support and other operating costs associated with committee activities. The work of these committees will be carried out with the Advisory Committees organization and funding structure.

- (b) A travel reduction of \$380,000.

Need for Change. This budget reflects a reduction based on the assumption that advisory committee members who do not represent non-profit organizations will pay at least half of their travel-related expenses. The Department plans to convene a board with representatives from agencies with Advisory Committees to develop a Department-wide policy on travel relating to Advisory Committees.

Nature of Change. Travel costs associated with advisory committee operations will be substantially reduced.

Estimates for the Department's Advisory Committees by major policy area follow.

USDA ADVISORY COMMITTEES

<u>Policy Area and Committee Title</u>	<u>1991 Actual</u>	<u>1992 Budget</u>	<u>1993 Estimate</u>
Food and Consumer Services:			
Nat'l Adv. Council on Maternal, Infant and Fetal Nutrition.....	\$53,851	\$40,250	\$35,336
Nat'l Adv. Council on Commodity Distribution.	31,437	81,428	74,603
Dietary Guidelines Advisory Committee.....	140	--	70,761
National Nutrition Monitoring Advisory Council.....	59,521	61,807	57,898
Advisory Committee on Welfare Simplification and Coordination.....	--	82,400	52,300
Total.....	144,949	265,885	290,898
Science and Education:			
Nat'l Ag. Res. & Exten. Users Adv. Board.....	200,717	244,408	211,583
National Arboretum Advisory Council.....	15,647	11,386	13,666
Human Nutrition Board of Scient. Counselors..	16,330	15,539	14,278
Advisory Council for Nat'l Genetics Res.....	23,123	32,100	28,064
Science & Education Nat'l Res. Initiative....	2,688	22,380	18,598
Animal Health Science Research Adv.Board.....	13,652	21,538	0
Cooperative Forestry Research Adv. Council...	30,545	34,286	29,768
Committee of Nine.....	39,435	43,312	34,823
Agriculture Biotechnology Research Adv. Com..	131,319	145,823	117,489
Joint Council on Food and Agriculture Sciences.....	187,564	229,723	204,610
Agriculture Science and Technology Review Board.....	--	85,598	79,081
Advisory Council on National Sustainable Agriculture.....	--	57,470	44,115
Global Climate Change Technical Advisory Committee.....	--	19,100	16,001
Total.....	661,020	962,663	812,076
Marketing and Inspection Services:			
Federal Grain Inspection Adv. Comm.....	51,548	51,780	37,374
Nat'l Adv. Comm. on Meat & Poultry Insp.....	26,003	26,527	20,474
Nat'l Adv. Comm. on Microbiological Criteria for Foods.....	50,252	51,125	41,885
Advisory Committees on:			
Foreign Animal and Poultry Diseases.....	26,197	26,788	20,437
Swine Health Protection.....	--	10,237	6,741
Gen. Conf. Comm. of the Nat'l Poultry Improvement Plan.....	7,420	14,345	5,740
Nat'l Animal Damage Control Adv. Comm.....	1,300	23,028	16,046
Scrappie Negotiated Rulemaking Adv. Comm....	23,211	43,004	0
National Organic Standards Board.....	--	120,000	100,260
Total.....	185,931	366,834	248,957

<u>Policy Area and Committee Title</u>	<u>1991 Actual</u>	<u>1992 Budget</u>	<u>1993 Estimate</u>
International Affairs and Commodity Programs:			
Agriculture Tech. Adv. Comm. for Trade.....	\$15,408	\$15,538	\$15,538
Technical Adv. Comm. for Trade in:			
Cotton.....	14,472	14,465	14,465
Fruits and Vegetables.....	14,472	14,465	14,465
Grain and Feed.....	15,408	15,538	15,538
Livestock and Livestock Products.....	15,408	15,538	15,538
Oilseeds and Oilseed Products.....	14,806	14,465	14,465
Poultry and Eggs.....	14,472	14,465	14,465
Tobacco.....	14,472	14,465	14,465
Dairy Products.....	14,472	14,465	14,465
Sweeteners.....	14,472	14,465	14,465
Processed Food.....	14,472	14,465	14,465
Agribusiness Promotion Council.....	1,302	22,278	0
Providing Advice to Emerging Democracies.....	--	14,900	14,900
Total.....	163,636	199,512	177,234
 Small Community and Rural Development:			
President's Council on Rural America.....	46,797	91,533	23,564
Nat'l Comm. on Agriculture & Rural Develop... ..	27,824	--	--
Total.....	74,621	91,533	23,564
Natural Resources and Environment:			
Soil and Water Conservation.....	--	43,400	29,372
State Technical Committees.....	--	--	217,042
Total.....	--	43,400	246,414
 Economics:			
Nat'l Ag. Cost of Prod. Standards Review Bd..	20,000	31,042	55,784
 Departmental Administration:			
Citizen's Adv. Comm. on Equal Opportunity.....	28,793	62,253	50,073
 Reserve for Contingencies:	--	14,878	--
 Total, Advisory Committees.....	<u>1,278,950</u>	<u>2,038,000</u>	<u>1,905,000</u>

HAZARDOUS WASTE MANAGEMENT

Purpose Statement

This program is designed to promote facility compliance under the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation Recovery Act (RCRA). These Acts require Federal agencies to meet the same standards for storage and disposition of hazardous wastes as private businesses. The funds provided for this program enable the Department to address problems posed by past uncontrolled hazardous waste disposal practices and to deal with the regulation of current hazardous substances.

A central fund has been established from which resources are allocated to USDA agencies according to priority of need. This approach permits the Department to correct compliance problems in a systematic manner.

HAZARDOUS WASTE MANAGEMENT

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

	:	1991	:	1992	:	1993	:
	:	Actual	:	Estimated	:	Estimated	:
	:	: Staff	:	: Staff	:	: Staff	:
Item	:	Amount	: Years	Amount	: Years	Amount	: Years
Direct Appropriation....	:	\$24,756,678:	--:	\$26,350,000:	--:	\$27,966,000:	--
Total, Hazardous Waste	:	:	:	:	:	:	:
Management.....	:	\$24,756,678:	--:	\$26,350,000:	--:	\$27,966,000:	--

HAZARDOUS WASTE MANAGEMENT

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Other Objects:			
21 Travel.....	127,000	---	---
22 Transportation of things.....	25,000	---	---
23.2 Rental payments to others....	---	---	---
23.3 Communications, utilities, and misc. charges.....	46,000	---	---
24 Printing.....	17,000	---	---
25 Other services.....	13,839,011	38,975,000	27,966,000
26 Supplies and materials.....	206,000	---	---
31 Equipment.....	513,000	---	---
41 Land and Structure.....	2,308,000	---	---
42 Insurance claims & Indemnities	1,000	---	---
43 Interest and Dividends.....	4,000	---	---
Total other objects.....	<u>17,086,011</u>	<u>38,975,000</u>	<u>27,966,000</u>
Total direct obligations.....	<u>17,086,011</u>	<u>38,975,000</u>	<u>27,966,000</u>

HAZARDOUS WASTE MANAGEMENT

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Hazardous Waste Management

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, [~~\$26,350,000~~] \$27,966,000, to remain available until expended: Provided, that appropriations and funds available herein to the Department of Agriculture for hazardous waste management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

HAZARDOUS WASTE MANAGEMENT

Appropriations Act, 1992	\$26,350,000
Budget Estimate, 1993	<u>27,966,000</u>
Increase in Appropriation	<u>+1,616,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Hazardous Waste Management	\$26,350,000	+\$1,616,000	\$27,966,000

PROJECT STATEMENT
(on basis of appropriation)

	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
	Amount	Amount		Amount
Hazardous Waste Mgmt....	\$17,086,011	\$38,974,206	-\$11,008,206	\$27,966,000
Unobligated:				
Balance, start:				
of year.....	-4,953,539	-12,624,206	+ 12,624,206	
Unobligated:				
Balance, end:				
of year	+12,624,206			
Total available:				
or estimate...	24,756,678	26,350,000	+1,616,000(1)	27,966,000
G-R-H Reduction:	+322			
Total,				
Appropriation	24,757,000			

Explanation of Program

This appropriation funds the Department's efforts to identify, assess, contain, and clean up hazardous waste sites in areas covered by programs of the Department or within Departmental jurisdiction. These responsibilities were imposed on all Federal agencies by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

Since the Department identified a number of hazardous waste sites requiring remedial action, a central fund was established in fiscal year 1988. Resources from this fund are allocated to Departmental agencies according to priority needs. The agencies receiving these funds in fiscal year 1992 are the Agricultural Research Service, the Animal and Plant Health Inspection Service, the Farmers Home Administration, the Food Safety and Inspection Service, the Forest Service, the Soil Conservation Service, the Office of the General Counsel, Commodity Credit Corporation, and Departmental Administration.

HAZARDOUS WASTE MANAGEMENT

JUSTIFICATION OF INCREASES AND DECREASES

A net increase of \$1,616,000 to undertake hazardous waste compliance activities associated with remediation of ground or surface water contamination under the CERCLA and with meeting underground storage tank requirements under the RCRA. (\$26,350,000 available in 1992).

Need for Change. The Department's hazardous waste management program ensures compliance with applicable environmental laws. The Superfund Amendments and Reauthorization Act (SARA) established specific deadlines for completing various phases of this work. USDA's progress on completion of individual projects is tracked by the Environmental Protection Agency (EPA) and the general public through the mechanism of the Federal Agency Hazardous Waste Compliance Docket.

For the fiscal year 1993, the following table outlines the resources needed by the USDA agencies to comply with requirements of the CERCLA and RCRA programs.

DESCRIPTION	FY 1992 APPROPRIATION	INCREASE/DECREASE	FY 1993 REQUEST
RCRA PROGRAM	\$7,114,000	-\$129,000	\$6,991,000
CERCLA PROGRAM	19,236,000	+1,745,000	20,975,000
TOTAL, HWM	26,350,000	+1,616,000	27,966,000

RCRA PROGRAM: A net decrease of \$129,000 for RCRA reflects a decrease for completion of work on Forest Service projects and a reduced funding need for the Forest Service overall Underground Storage Tank program (-\$677,000), and an increase for planning and remedial work on Underground Storage Tank (UST) removal for ARS, APHIS, FmHA, and SCS (+\$548,000).

CERCLA PROGRAM: A net increase of \$1,745,000 is requested. This is for planning, and remedial work associated with abandoned mine wastes on Forest Service lands and work on former CCC grain storage sites.

Also, the Office of the General Counsel estimates an increase in the amount of staff time spent representing the Department at hearings, administrative proceedings and generally assisting agencies in the legal aspects of administering the CERCLA and RCRA programs.

Nature of Change. The fiscal year 1993 request provides USDA's agencies the capability to continue an effective hazardous waste management program. The work under CERCLA will involve remedial activities that include preliminary site assessments, site investigations, analyses to identify potential problems, cleanup strategies, and cleanup of individual sites. Because of the special training and expertise needed to conduct these activities, most of the work will be contracted out to qualified consulting firms.

For RCRA facilities, the work will involve underground storage tank leak testing, repair or replacement, and contamination clean-up at landfills, as necessary. It will also provide for tank removals to help achieve the objectives of the Department's efforts to eliminate Government-owned fuel facilities.

Allocations to USDA agencies are shown below. The allocations for fiscal year 1993 are tentative, based on current program status.

Current and Proposed Allocation of Funds
for Hazardous Waste Management
(Dollars in Thousands)

<u>USDA Agency</u>	<u>1992 Estimate</u>	<u>1993 Estimate</u>
Agricultural Research Service	4,287	2,190
Animal and Plant Health		
Inspection Service	202	224
Commodity Credit Corporation	5,164	7,428
Farmers Home Administration	2,000	1,888
Food Safety and Inspection Service	140	45
Forest Service	13,196	15,545
Office of the General Counsel	340	492
Soil Conservation Service	245	154
DA Contingency	776	---
Total Allocations	<u>26,350</u>	<u>27,966</u>

OFFICE OF PUBLIC AFFAIRS

Purpose Statement

The Office of Public Affairs (OPA) was established by the Secretary of Agriculture on October 1, 1989, under the Reorganization Plan 2 of 1953 (7 U.S.C. 2201).

The Office of Public Affairs provides leadership, expertise, and counsel for the development of public affairs strategies which are vital to the overall formulation, awareness, and acceptance of U.S. Department of Agriculture programs and policies. OPA serves as the principal USDA contact point for dissemination of consistent, timely information.

The two major programs are:

1. Public Affairs. Provides direction, leadership and balance in the development and delivery of useful information through all media to the public on USDA's involvement in all areas of agriculture, including: research, educational and regulatory activities; nutrition, conservation and farm programs; forestry and international agriculture. It also serves as the focal point for liaison between the Department and the public, including the many associations and organizations representing America's food and fiber system, with emphasis on policy education.
2. Intergovernmental Affairs. Directs and coordinates all programs involving the implementation of USDA policies and procedures applicable to the Department's intra and intergovernmental relations. Also, coordinates USDA's Native American and Alaskan Native assistance programs.

The Office of Public Affairs also provides centralized services financed through the Working Capital Fund in the areas of video and teleconference, and design and exhibits. Other centralized services are provided by the photography, printing, and publishing units. The agency is located in Washington, D.C. As of September 30, 1991, there were 129 full-time permanent employees and 9 other than full-time permanent employees.

OFFICE OF PUBLIC AFFAIRS

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

Item	1991		1992		1993	
	Actual	Staff :Years	Estimated	Staff :Years	Estimated	Staff :Years
Direct Appropriation...	\$8,881,885:	117	\$9,393,000:	127	\$9,720,000:	127
<u>Obligations Under Other:</u>						
<u>USDA Appropriations:</u>						
Agency Photo Service...	563,853:	--	693,000:	--	704,000:	--
Ag Journalist						
Conference.....	987:	--	20,000:	--	20,000:	--
Admin. Support to						
Working Capital Fund...	56,611:	2	66,000:	2	69,000:	2
Amer. Folklife Festival:	524:	--	--:		--:	
USDA Broadcasting						
Exhibit Booth.....	--:	--	16,000:		16,000:	
Total, Reimbursements..	621,975:	2	795,000:	2	809,000:	2
<u>Working Capital Fund:</u>						
Video & Teleconference						
and Visual Design						
Services.....	3,969,000:	24	4,069,000:	26	4,153,000:	27
Total, Working Capital						
Fund.....	3,969,000:	24	4,069,000:	26	4,153,000:	27
Total, Other USDA						
Appropriations.....	4,590,975:	26	4,864,000:	28	4,962,000:	29
Total, Agriculture						
Appropriations.....	13,472,860:	143	14,257,000:	155	14,682,000:	156
<u>Non-Federal Funds:</u>						
Sale of Photos & Slides:	12,866:	--	9,000:	--	9,000:	--
Total, Office of Public						
Affairs.....	13,485,726:	143	14,266,000:	155	14,691,000:	156

Full-time Equivalent
Staff-Years:

	1991 Actual	1992 Estimated	1993 Estimated
Ceiling.....	143	155	156
Non-Ceiling.....	1	4	4
Total.....	144	159	160

OFFICE OF PUBLIC AFFAIRS

Permanent Positions by Grade and Staff-Year Summary1991 and Estimated 1992 and 1993

Grade	1991 Headquarters	1992 Headquarters	1993 Headquarters
ES-4.....	1	1	1
ES-2.....	2	2	2
ES-1.....	1	1	1
GS/GM-15.....	12	16	16
GS/GM-14.....	30	34	34
GS/GM-13.....	13	13	13
GS-12.....	14	17	17
GS-11.....	14	15	16
GS-9.....	11	14	14
GS-8.....	5	5	5
GS-7.....	17	19	19
GS-6.....	5	5	5
GS-5.....	8	3	3
GS-4.....	2	4	4
GS-3.....	1	0	0
Ungraded Positions..	5	6	6
Total Permanent Positions.....	141	155	156
Unfilled Positions end of year.....	-12	--	--
Total, Permanent... Employment, end-... of year.....	129	155	156
Staff-Years:			
Ceiling.....	143	155	156
Non-ceiling.....	1	4	4
TOTAL.....	144	159	160

OFFICE OF PUBLIC AFFAIRS

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters	<u>\$5,422,177</u>	<u>\$6,308,000</u>	<u>\$6,509,000</u>
11 Total personnel compensation	5,422,177	6,308,000	6,509,000
12 Personnel Benefits.....	821,184	963,000	1,051,000
13 Benefits for former personnel.....	<u>10,992</u>	<u>13,000</u>	<u>13,000</u>
Total pers. comp & benefits...	<u>6,254,353</u>	<u>7,284,000</u>	<u>7,573,000</u>
Other Objects:			
21 Travel.....	49,983	119,000	120,000
22 Transportation of things....	3,116	21,000	21,000
23.3 Communications, utilities, and misc. charges.....	471,240	381,000	381,000
24 Printing.....	630,085	764,000	767,000
25 Other services.....	973,599	602,000	602,000
26 Supplies and materials.....	168,023	127,000	127,000
31 Equipment.....	<u>325,101</u>	<u>95,000</u>	<u>129,000</u>
Total other objects.....	<u>2,621,147</u>	<u>2,109,000</u>	<u>2,147,000</u>
Total direct obligations.....	<u>8,875,500</u>	<u>9,393,000</u>	<u>9,720,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$87,606	\$96,061	\$100,258
Average Salary, GM/GS position...	\$43,151	\$46,439	\$47,851
Average Grade, GM/GS positions...	10.83	11.13	11.13

OFFICE OF PUBLIC AFFAIRS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of Public Affairs

Public Affairs

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, [\$8,925,000] \$9,236,000 including employment pursuant to the second sentence of Section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: Provided, that in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

Intergovernmental Affairs

For necessary expenses for programs involving intergovernmental affairs, and liaison within the executive branch, [\$468,000] \$484,000.

OFFICE OF PUBLIC AFFAIRS

Appropriations Act, 1992.....	\$9,393,000
Budget Estimate, 1993.....	<u>9,720,000</u>
Increase in Appropriation.....	<u>+ 327,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Public Affairs.....	\$8,925,000	+\$273,000	+\$ 38,000	\$9,236,000
Intergovernmental Affairs.	<u>468,000</u>	<u>+16,000</u>	<u>--</u>	<u>484,000</u>
Total Available.....	<u>9,393,000</u>	<u>+289,000</u>	<u>+ 38,000</u>	<u>9,720,000</u>

PROJECT STATEMENT
(on basis of appropriation)

	<u>1991</u>		<u>1992</u>		<u>Increase or Decrease</u>	<u>1993</u>	
	<u>Actual</u>	<u>Staff:</u>	<u>Estimated</u>	<u>Staff:</u>		<u>Estimated</u>	<u>Staff:</u>
<u>Item of Change</u>	<u>Amount</u>	<u>Years</u>	<u>Amount</u>	<u>Years</u>		<u>Amount</u>	<u>Years</u>
Public Affairs..	\$8,441,890:	111:	\$8,925,000:	121:	+\$311,000(1):	\$9,236,000:	121
Intergov. Aff.	433,610:	6:	468,000:	6:	+16,000(2):	484,000:	6
Unobligated	:	:	:	:	:	:	:
balance.....	6,385:	--:	--:	--:	--:	--:	--
Total available	:	:	:	:	:	:	:
or estimate....	<u>8,881,885:</u>	<u>117:</u>	<u>9,393,000:</u>	<u>127:</u>	<u>+327,000</u>	<u>9,720,000:</u>	<u>127</u>
G-R-H Reduction:	<u>+115:</u>	:	:	:	:	:	:
Total, appropri-	:	:	:	:	:	:	:
ations.....	<u>8,882,000:</u>	<u>117:</u>	:	:	:	:	:

EXPLANATION OF PROGRAM

The appropriation for the Office of Public Affairs funds the activities established pursuant to the relevant sections of Secretary's Memorandum No. 1927, dated October 5, 1977, and the authority contained in 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201). The activities carried out are as follows:

--Public Affairs - Public Affairs provides leadership, expertise, and counsel for the development of public affairs strategies which are vital to the overall formulation, awareness, and acceptance of U.S. Department of Agriculture programs and policies. Public Affairs serves as the principal USDA contact point for dissemination of consistent, timely information.

--Intergovernmental Affairs - Directs and coordinates programs involving the implementation of USDA policies and procedures applicable to the Department's intergovernmental affairs and relations with other Departments.

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$311,000 for Public Affairs consisting of:

(a) An increase of \$38,000 for the expansion of AgNewsFAX.

Need for Change. The increase is needed to carry out the responsibility of providing valuable information about American agriculture and Departmental policy and programs to farmers and the public. AgNewsFAX is a voice response special request facimile. It is a computer service that stores different files of data such as news releases, fax sheets, and biographies of top officials of the Department. Reporters can call the service 24 hours a day, 7 days a week, get a voice response recording, and receive any news release that is in the system. Enhancement of the AgNewsFAX service will improve the accessibility of USDA information to media outlets that interpret and disseminate it to farmers, consumers and the general public. The expansion of AgNewsFAX provided by this funding will allow an increased number of AgNewsFAX calls to be handled while simultaneously broadcasting. It will also allow the storage of more news documents and put more material on the system. With the additional lines, the system can be marketed to additional media, associations, and Congressional offices. We can also broadcast more material to specific media lists.

Nature of change. The requested program increase will add eight telephone lines to the SpectraFAX, increase hard disk storage for material, and provide optical character recognition capabilities.

(b) An increase of \$273,000 for pay costs which consists of \$84,000 for the annualization of the fiscal year 1992 pay raise and \$189,000 for the fiscal year 1993 pay raise.

(2) For Intergovernmental Affairs, an increase of \$16,000 for pay costs which consists of \$5,000 for the annualization of the fiscal year 1992 pay raise and \$11,000 for the fiscal year 1993 pay raise.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991, and estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C.	\$8,875,500	117	\$9,393,000	127	\$9,720,000	127
Unobligated balance	6,385	--	--	--	--	--
Total, Available or Estimate.....	8,881,885	117	9,393,000	127	9,720,000	127

OFFICE OF THE INSPECTOR GENERAL

PURPOSE STATEMENT

Pursuant to the Inspector General Act of 1978 (5 U.S.C. app.3), the Office of the Inspector General:

- (1) Provides policy direction and conducts, supervises, and coordinates all audits and investigations;
- (2) Reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and the Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud, waste, and mismanagement in such programs;
- (3) Recommends policies for and conducts, supervises, or coordinates other activities in the Department whose purposes are to promote economy and efficiency or prevent and detect fraud, waste, and mismanagement;
- (4) Recommends policies for and conducts, supervises, or coordinates relationships between the Department and other Federal, State, and local government agencies concerning: (a) promoting economy and efficiency; (b) preventing and detecting fraud, waste, and mismanagement; and (c) identifying and prosecuting people involved in fraud, waste, and mismanagement; and
- (5) Keeps the Secretary and the Congress fully and currently informed about fraud and other serious problems, waste, mismanagement, and deficiencies in Department programs and operations; recommends corrective action; and reports on the progress made in obtaining management's agreement to correct the problem.

The Office of the Inspector General is headquartered in Washington, D.C., and has regional offices in the following cities: New York, New York; Hyattsville, Maryland; Atlanta, Georgia; Chicago, Illinois; Temple, Texas; Kansas City, Missouri; and San Francisco, California. As of September 30, 1991, total onboard employment was 844 including 829 full-time and 15 other employees. There were 218 employees located in headquarters and 626 located in the field.

OFFICE OF THE INSPECTOR GENERAL

Available Funds and Staff-Years1991 Actual and Estimated 1992 and 1993

Item	1991		1992		1993	
	Actual	Staff-	Estimated	Staff-	Estimated	Staff-
	Amount	Years	Amount	Years	Amount	Years
Office of the Inspector General.....	\$55,579,277	817	\$62,786,000	850	\$67,238,000	885
Obligations under other USDA appropriations:						
Food and Nutrition Service-Child and Audit Care Feeding Program....	795,000	--	--	--	--	--
Commodity Credit Corporation-Audit of Financial Statements.....	675,000	--	723,000	--	752,000	--
Federal Crop Insurance Corporation-Audit of Financial Statements.....	--	--	208,000	--	216,000	--
Rural Electrification Administration-Audit of Financial Statements.....	--	--	224,000	--	233,000	--
Total, Other USDA Funds:	1,470,000	--	1,155,000	--	1,201,000	--
TOTAL, OIG.....	57,049,277	817	63,941,000	850	68,439,000	885

Full-time Equivalent Staff-Years:	1991 Actual	1992 Estimated	1993 Estimated
Ceiling.....	817	850	885
Non-ceiling.....	30	30	30
Total.....	847	880	915

OFFICE OF THE INSPECTOR GENERAL

Permanent Positions by Grade and Staff-Year Summary
FY 1991 and Estimated FY 1992 and 1993

Grade	1991			1992			1993		
	Hdqtrs	Field	Total	Hdqtrs	Field	Total	Hdqtrs	Field	Total
Executive									
Level IV	1	0	1	1	0	1	1	0	1
ES 6	1	0	1	1	0	1	1	0	1
ES 4	5	0	5	5	0	5	5	0	5
ES 3	1	0	1	1	0	1	1	0	1
ES 2	1	0	1	2	0	2	2	0	2
GS/GM 15	14	13	27	13	13	26	14	13	27
GS/GM 14	23	42	65	22	41	63	23	43	66
GS/GM 13	38	122	160	37	119	156	38	125	163
GS-12	14	217	231	14	212	226	14	222	236
GS-11	12	62	74	11	61	72	12	65	77
GS-9	5	60	65	5	58	63	5	61	66
GS-8	2	0	2	2	0	2	2	0	2
GS-7	15	91	106	15	89	104	15	92	107
GS-6	7	23	30	6	23	29	7	23	30
GS-5	7	43	50	7	42	49	7	43	50
GS-4	3	21	24	3	20	23	3	21	24
GS-3	2	5	7	2	5	7	2	5	7
Total Permanent:									
Positions	151	699	850	147	683	830	152	713	865
Unfilled									
Positions									
end-of-year ..	-8	-40	-48	0	0	0	0	0	0
Total Permanent:									
Employment									
end-of-year ..	143	659	802	147	683	830	152	713	865
Staff-Years:									
Ceiling	143	674	817	147	703	850	152	733	885
Non-ceiling ..	3	27	30	3	27	30	3	27	30
Total	146	701	847	150	730	880	155	760	915

OFFICE OF THE INSPECTOR GENERAL

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

Personnel Compensation:	<u>1991</u>	<u>1992</u>	<u>1993</u>
Headquarters	\$9,429,826	\$11,015,000	\$11,829,000
Field	<u>26,524,966</u>	<u>30,985,000</u>	<u>33,273,000</u>
11 Total personnel compensation..	35,954,792	42,000,000	45,102,000
12 Personnel benefits	7,398,163	8,883,000	9,513,000
13 Former personnel	<u>42,334</u>	<u>42,000</u>	<u>42,000</u>
Total personnel compensation benefits	<u>43,395,289</u>	<u>50,925,000</u>	<u>54,657,000</u>
Other Objects:			
21 Travel	4,694,546	5,100,000	5,462,000
22 Transportation of things	127,414	130,000	139,000
23.2 Rental payments to others	200,955	212,000	227,000
23.3 Communications, utilities and misc. charges	1,413,391	1,488,000	1,594,000
24 Printing and reproduction	108,589	111,000	119,000
25 Other services	2,972,799	3,000,000	3,425,000
26 Supplies and materials	689,251	625,000	669,000
31 Equipment	1,785,902	1,149,000	900,000
42 Insurance and indemnities.....	42,306	44,000	44,000
43 Interest and dividends.....	<u>1,329</u>	<u>2,000</u>	<u>2,000</u>
Total other objects	<u>12,036,482</u>	<u>11,861,000</u>	<u>12,581,000</u>
Total direct obligations	<u>55,431,771</u> *****	<u>62,786,000</u> *****	<u>67,238,000</u> *****
<u>Position Data:</u>			
Average Salary, ES positions	\$96,000	\$104,000	\$108,000
Average Salary, GM/GS positions	\$41,000	\$43,000	\$46,000
Average Grade, GM/GS positions	10.75	10.75	10.75

OFFICE OF THE INSPECTOR GENERAL

The estimate includes proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Inspector General

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, [\$62,786,000] \$67,238,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978, as amended, and including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations Act, 1992	\$62,786,000
Budget Estimate, 1993.	<u>67,238,000</u>
Increase in Appropriation.	<u>+4,452,000</u>

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SUMMARY OF INCREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1992</u> <u>Estimated</u>	<u>Pay Cost</u>	<u>Program</u> <u>Changes</u>	<u>1993</u> <u>Estimated</u>
Audit & Investigations	\$62,786,000	+\$1,111,000	+\$3,341,000	\$67,238,000

PROJECT STATEMENT
(On basis of adjusted appropriation)

	: 1991 Actual	: 1992 Estimated	:	: 1993 Estimated
Project	: Amount	: Staff: : Years:	: Actual : Staff: : Years:	: Amount : Staff: : Years:
Audit and	:	:	:	:
Investigations:	\$55,431,771: 817	\$62,786,000: 850	(1):	\$67,238,000: 885
Unobligated...	147,506: --	--: --	--	--: --
Total,	:	:	:	:
Available or	:	:	:	:
Estimate.....	55,579,277: 817	62,786,000: 850	+ 4,452,000	67,238,000: 885
G-R-H	:	:	:	:
Reduction.....	723: --	--: --	--	--: --
Total,	:	:	:	:
Appropriation..	55,580,000: 817	62,786,000: 850	+ 4,452,000	67,238,000: 885

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EXPLANATION OF PROGRAM

This appropriation funds the activities authorized by the Inspector General Act of 1978 as amended. This Act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture. The Inspector General:

- Conducts and supervises audits and investigations relating to programs and operations of the Department of Agriculture;
- provides leadership and coordination and recommends policies for activities designed (a) to promote economy, efficiency, and effectiveness and (b) to prevent and detect fraud and mismanagement in programs and operations of the Department; and
- keeps the Secretary and the Congress fully informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

The following table shows the audits, investigations, and staff-years for each area for fiscal year 1991.

<u>Area</u>	<u>Audits/ Cases</u>	<u>Staff-Years of Effort</u>
Audit	405	474
Investigations	<u>1,391</u>	<u>343</u>
Total	1,796	817

GAO Reports

None.

JUSTIFICATION OF INCREASES

(1) A net increase of \$4,452,000 consisting of:

(a) An increase of \$5,141,000 and 35 staff-years to fund the audit of financial statements.

Need for Change. In accordance with the requirements set forth in the Chief Financial Officers Act of 1990, Public Law 101-576, dated December 13, 1990, the Inspector General shall be responsible for audit of financial statements within the Department. The audits are required to be completed by June 30 in the year following the fiscal year for which the financial statements were prepared.

Nature of Change. The increase of \$5,141,000 will fund the staffing and related activities necessary to audit the financial statements for Farmers Home Administration, Food and Nutrition Service, and Forest Service in order to comply with the Chief Financial Officers Act of 1990. Also, an audit must be performed of the consolidated financial statements for the Department. Financial statement audits for Commodity Credit Corporation, Federal Crop Insurance Corporation and the Rural Electrification Administration (including the Rural Telephone Bank) will continue to be financed through reimbursement from these organizations.

- (b) A decrease of \$2,000,000 for activities to eliminate fraud and abuse within the Food Stamp program.

Need for Change. In FY 1992, the Congress provided an additional \$2 million to expand activities to eliminate food stamp fraud and abuse. Due to overall budget constraints, this additional level of resources for investigation of food stamp fraud, waste, and abuse cannot be sustained without adversely impacting other essential audit and investigative work for the Department.

Nature of Change. Historically we have devoted approximately one-third of our investigative resources to the activities of the Food Stamp Program. We expect this level of activity to continue in FY 1993.

- (c) An increase of \$200,000 for audit contracts.

Need for Change. As prescribed by OMB circulars, contracted audit services are used to provide for audits of direct and indirect costs of contracts and grants awarded to educational institutions and other nonprofit organizations receiving USDA funds. Other contracts are used to assist USDA procurement offices in the negotiation, administration, and settlement of preaward and postaward pricing proposals, cost reimbursement contracts, and contractor claims and to reimburse the Defense Contract Audit Agency and the Health and Human Services for audits of contracts of USDA funds where they are cognizant audit agencies and have a staff on-site.

In FY 1993, we expect an increase in the areas of audits of contracts and grants, in quality control reviews of the work of CPA's, and in technical expertise obtained from outside consultants.

Nature of Change. The \$200,000 will provide for the increased costs required in the contracted audit services.

- (d) An increase of \$1,111,000 for pay costs which consists of \$782,000 for the annualization of the fiscal year 1992 pay raise and \$329,000 for a portion of the fiscal year 1993 pay raise.

OFFICE OF THE INSPECTOR GENERAL

PASSENGER MOTOR VEHICLES

The Fiscal Year 1993 Budget Estimate does not include the purchase of additional passenger vehicles.

The Office of Inspector General (OIG) owns 20 vehicles (15 vans, 2 small trucks, 3 sedans). One sedan was seized pursuant to a criminal investigation by the Alcohol, Tobacco and Firearms Division, U.S. Treasury. Two sedans were purchased and equipped with "law enforcement packages," i.e., heavy duty suspensions, transmissions, and engines. The agency utilizes these vehicles for law enforcement surveillance activities during undercover operations to obtain evidence for prosecutions. OIG has installed specialized law enforcement equipment such as radios, cameras, and video equipment in these surveillance vehicles. Examples of these investigations include the controlled exchange of USDA Food Coupons for cash or contraband and observing and photographing meat plants slaughtering and selling dead or adulterated livestock to the public. OIG must have such operational capabilities and equipment to fulfill the statutory criminal investigative responsibilities specified in the Inspector General Act of 1978 and other related Congressional Acts.

Age and Mileage Data for passenger carrying vehicles on hand as of September 30, 1991 are as follows:

<u>Age-Year Model</u>	<u>Number of Vehicles</u>	<u>Percentage of Total</u>	<u>Lifetime Mileage (thousands)</u>	<u>Number of Vehicles</u>	<u>Percentage of Total</u>
1985-older	1	33	80-over	1	33
1986	0	--	60-80	0	--
1987	0	--	40-60	0	--
1988	2	67	20-40	2	67
	---	----		---	----
Total	3	100%		3	100%

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Purpose Statement

The Office of Budget and Program Analysis provides overall direction and administration of the Department's budgetary function including development, presentation, and execution of the budget; review of program and legislative proposals for program and budget implications; and analysis of program issues and alternatives and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decision-making process.

The Office of Budget and Program Analysis is located in Washington, D.C. As of September 30, 1991, there were 70 full-time permanent employees and one other than full-time permanent employee.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

	:	1991	:	1992	:	1993
	:	Actual	:	Estimated	:	Estimated
	:	: Staff	:	: Staff	:	: Staff
Item	:	Amount : Years	:	Amount : Years	:	Amount : Years
Direct Appropriation...	:	\$4,970,935: 71	:	\$6,149,000: 74	:	\$5,756,000: 74

Full-time Equivalent Staff-Years:	1991 <u>Actual</u>	1992 <u>Estimated</u>	1993 <u>Estimated</u>
Ceiling.....	71	74	74
Non-Ceiling.....	<u>1</u>	<u>1</u>	<u>1</u>
Total.....	<u>72</u>	<u>75</u>	<u>75</u>

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Permanent Positions by Grade and Staff-Year Summary1991 and Estimated 1992 and 1993

Grade	1991	1992	1993
	Headquarters	Headquarters	Headquarters
ES-6.....	3	3	3
ES-5.....	2	2	2
GS/GM-15.....	8	8	8
GS/GM-14.....	19	19	19
GS/GM-13.....	18	18	18
GS-12.....	2	2	2
GS-11.....	3	3	3
GS-10.....	1	1	1
GS-9.....	3	3	3
GS-8.....	2	2	2
GS-7.....	8	8	8
GS-6.....	3	3	3
GS-5.....	1	1	1
GS-3.....	1	1	1
Total Permanent Positions.....	74	74	74
Unfilled Positions end-of-year.....	-4	0	0
Total, Permanent Employment, end-of-year	70	74	74
Staff-Years:			
Ceiling.....	71	74	74
Non-ceiling.....	1	1	1
TOTAL	72	75	75

OFFICE OF BUDGET AND PROGRAM ANALYSIS

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters	3,879,095	\$4,200,000	\$4,420,000
11 Total personnel compensation	3,879,095	4,200,000	4,420,000
12 Personnel benefits.....	519,550	613,000	650,000
13 Benefits for former personnel.....	<u>5,234</u>	<u>5,000</u>	<u>5,000</u>
Total pers. comp & benefits.....	4,403,879	4,818,000	5,075,000
Other Objects:			
21 Travel.....	8,137	17,000	17,000
22 Transportation of things....	38	--	--
23.3 Communications, utilities, and misc. charges.....	67,212	87,000	87,000
24 Printing.....	23,053	61,000	61,000
25 Other services.....	228,075	260,000	289,000
26 Supplies and materials.....	40,685	227,000	143,000
31 Equipment.....	<u>16,292</u>	<u>679,000</u>	<u>84,000</u>
Total other objects.....	<u>383,492</u>	<u>1,331,000</u>	<u>681,000</u>
Total direct obligations.....	<u>4,787,371</u>	<u>6,149,000</u>	<u>5,756,000</u>
<u>Position Data:</u>			
Average Salary, ES positions.....	\$100,795	\$109,784	\$113,680
Average Salary, GM/GS position...	\$47,249	\$51,465	\$54,516
Average Grade, GM/GS positions...	11.72	11.77	11.77

OFFICE OF BUDGET AND PROGRAM ANALYSIS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of Budget and Program Analysis

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, [\$6,149,000] \$5,756,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriation Act, 1992.....	\$6,149,000
Budget Request, 1993.....	5,756,000
Decrease in Appropriation.....	<u>-393,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Budget and Program Analysis.....	<u>\$6,149,000</u>	<u>+\$197,000</u>	<u>-\$590,000</u>	<u>\$5,756,000</u>

PROJECT STATEMENT
(on basis of appropriation)

	<u>1991 Actual</u>	<u>Staff:</u>	<u>1992 Estimated</u>	<u>Staff:</u>	<u>Increase or Decrease</u>	<u>1993 Estimated</u>	<u>Staff:</u>
	<u>Amount</u>	<u>Years</u>	<u>Amount</u>	<u>Years</u>		<u>Amount</u>	<u>Years</u>
Budget and Program Analysis.....	\$4,787,371:	71:	\$6,149,000:	74:	-\$393,000	\$5,756,000:	74
Unobligated Balance.....	183,564:						
Total available or estimate....	4,970,935:	71:	6,149,000:	74:	-393,000(1):	5,756,000:	74
G-R-H Reduction.....	+65:						
Total, Appropriations.....	<u>4,971,000:</u>	<u>71:</u>					

Explanation of Program

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and administration of the budget; reviews program and legislative proposals for program and budget and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid Departmental policy officials and agency program managers in the decision-making process; provides Department-wide coordination for and participation in the presentation of budget related matters to the Committees of the Congress, the press, and the public. The Office also provides Department-wide coordination of the preparation and processing of the legislative program and legislative reports; provides Department-wide coordination and processing of regulations; and aids the Secretary and other Departmental agency officials in making management decisions regarding the Department's programs and resources.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net decrease of \$393,000 for budget and program analysis consists of:

(a) A net decrease of \$650,000 for Automated Equipment and Systems (\$800,000 available in FY 1992).

Need for Change. FY 1992 appropriations for the Office of Budget and Program Analysis included an increase of \$846,000 for replacement of office wide

automated equipment and systems. The Office relies heavily upon the continued availability of its automation capability to perform budget and program analyses, monitor and track the status of key legislative and regulatory issues, and to prepare an extensive array of budget and program tables, summaries, and issue papers designed to serve USDA agencies, Department policy officials, Executive office requirements and Congressional committees. Of the total amount provided in FY 1992, \$650,000 will be used for the purchase of equipment and software. These costs will not recur in FY 1993.

Nature of Change. Funds will be used in FY 1992 to replace outmoded ADP systems. However, \$196,000 of the funds appropriated in FY 1992 will be needed in FY 1993 and subsequent years for recurring operational, maintenance and update costs for the new automated equipment and systems as follows:

Hardware and Software updates.	\$30,000
Training.....	20,000
Supplies.....	20,000
Maintenance.....	<u>126,000</u>
Total.....	196,000

- (b) An increase of \$60,000 to help cover increased cost of employee benefits.

Need for Change. In FY 1993 over 88 percent of the budget of the OBPA will be required to meet the costs of employees' salaries and benefits. As these costs increase, there are no other available sources of funds which can be used to absorb these increases without severely impairing the effectiveness of the Office in carrying out its responsibilities. The major increased cost in FY 1993 (other than the Federal pay raise) relates to the Federal retirement system. Between 1987 and 1992 the percentage of the Office's employees covered by the new Federal Employees Retirement System increased from 4.3 percent to 22.5 percent. The new system is more costly than the old Civil Service Retirement System. It is anticipated that the percentage of employees covered by the new system will continue to grow in FY 1993. In addition, a number of the Office's employees will be eligible to retire in FY 1993 and would upon retirement, receive lump sum payments for their annual leave balances which would further add to the Office's costs.

Nature of Change. The requested funds would help this Office to meet these increased costs.

- (c) An increase of \$197,000 for pay costs which consists of \$59,000 for the annualization of the Fiscal Year 1992 pay raise, and \$138,000 for the Fiscal Year 1993 pay raise.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and Estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C.	\$4,787,371	71	\$6,149,000	74	\$5,756,000	74
Unobligated balance	<u>183,564</u>	--	--	--	--	--
Total, Available or Estimate	<u>4,970,935</u>	<u>71</u>	<u>6,149,000</u>	<u>74</u>	<u>5,756,000</u>	<u>74</u>

OFFICE OF THE GENERAL COUNSEL

Purpose Statement

The Office of the General Counsel, which, prior to 1955, was known as the Office of the Solicitor, was established in 1910 (70 Stat. 742) as the law office of the Department of Agriculture.

The Office provides all essential and necessary legal advice and services for the Department's ongoing programs. The headquarters legal staff is divided into four sections: (1) Regulatory and Marketing; (2) International Affairs, Commodity Programs and Food Assistance Programs; (3) Community Development and Natural Resources; and (4) Legislation, Litigation, Research and Operations.

Geographic Location. The work of this office is carried out in Washington, D.C., and five regions which include 22 locations as follows:

Southern Region:

Atlanta, Georgia
Hato Rey, Puerto Rico
Jackson, Mississippi
Montgomery, Alabama
Raleigh, North Carolina

Central Region:

Kansas City, Missouri
Lincoln, Nebraska
Little Rock, Arkansas
Stillwater, Oklahoma
Temple, Texas

Mountain Region:

Denver, Colorado
Albuquerque, New Mexico
Missoula, Montana
Ogden, Utah

Pacific Region:

San Francisco, California
Juneau, Alaska
Portland, Oregon

Northern Region:

Harrisburg, Pennsylvania
Chicago, Illinois
Columbus, Ohio
Milwaukee, Wisconsin
Richmond, Virginia

As of September 30, 1991, the office had 402 employees of which 377 were permanent full-time employees and 25 were other employees. There were 177 permanent full-time employees and 12 other employees located in Washington, D.C., and 200 permanent full-time employees and 13 other employees in the field.

OFFICE OF THE GENERAL COUNSEL

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

Item	1991		1992		1993	
	Actual		Estimated		Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Office of the General Counsel	\$23,129,699:	377	\$24,554,000:	400	\$26,314,000:	392
<u>Obligations under other</u>						
<u>USDA appropriations:</u>						
FS-Bernardi Case	120,374:	2	168,000:	2	168,000:	2
FS-Timber Sales	49,221:	1	63,000:	1	63,000:	1
FS-Criminal Cases	45,327:	1	70,000:	1	70,000:	1
FmHA-New Jersey	38,104:	1	70,000:	1	70,000:	1
AMS-Marketing Orders ..			75,000:	1	75,000:	1
FS-Timber Theft			154,000:	2	154,000:	2
AMS-User Fees					711,000:	13
APHIS-User Fees					207,000:	4
FGIS-User Fees					166,000:	3
ASCS-User Fees					23,000:	1
Total, Other USDA Appropriations	253,026:	5	600,000:	8	1,707,000:	29
Total, Office of the General Counsel	23,382,725:	382	25,154,000:	408	28,021,000:	421

Full-time Equivalent Staff-Years:	1991 <u>Actual</u>	1992 <u>Estimated</u>	1993 <u>Estimated</u>
Ceiling	382	408	421
Non-Ceiling	3	3	3
Total	385	411	424

OFFICE OF THE GENERAL COUNSEL
Permanent Positions by Grade and Staff-Year Summary
1991 and Estimated 1992 and 1993

	1991			1992			1993		
Grade	Hdgrs	Field	Total	Hdgrs	Field	Total	Hdgrs	Field	Total
Executive									
Level IV	1	--	1	1	--	1	1	--	1
ES-6	1	--	1	2	--	2	2	--	2
ES-5	4	--	4	3	--	3	3	--	3
ES-4	6	1	7	6	1	7	6	1	7
ES-3	3	1	4	3	1	4	3	1	4
ES-2	--	2	2	--	3	3	--	3	3
ES-1	--	1	1	--	--	--	--	--	--
GS/GM-15	33	10	43	34	10	44	34	10	44
GS/GM-14	38	72	110	38	72	110	45	78	123
GS/GM-13	30	19	49	30	19	49	30	19	49
GS-12	17	7	24	17	8	25	17	8	25
GS-11	11	9	20	16	10	26	16	10	26
GS- 9	6	7	13	6	7	13	6	7	13
GS- 8	6	10	16	6	10	16	6	10	16
GS- 7	12	14	26	13	14	27	13	14	27
GS- 6	8	24	32	8	24	32	8	24	32
GS- 5	3	21	24	3	22	25	3	22	25
GS- 4	3	17	20	3	17	20	3	17	20
GS- 3	0	1	1	0	1	1	0	1	1
GS- 2	--	--	--	--	--	--	--	--	--
Total Permanent Positions	182	216	398	189	219	408	196	225	421
Unfilled positions, end-of-year	10	8	18	--	--	--	--	--	--
Total Permanent Employment, end-of-year	172	208	380	189	219	408	196	225	421
Staff-Years									
Ceiling	181	201	382	189	219	408	196	225	421
Non-Ceiling	1	2	3	1	2	3	1	2	3
TOTAL	182	203	385	190	221	411	197	227	424

OFFICE OF THE GENERAL COUNSEL

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters	\$9,342,106	\$10,239,927	\$10,576,629
Field	<u>8,088,087</u>	<u>8,730,516</u>	<u>9,005,754</u>
11 Total Personnel Compensation	17,430,193	18,970,443	19,582,383
12 Personnel Benefits	3,170,327	3,485,953	3,588,266
13 Benefits for former personnel	<u>13,087</u>	<u>11,341</u>	<u>11,790</u>
Total Pers. Comp. & Benefits	<u>20,613,607</u>	<u>22,467,737</u>	<u>23,182,439</u>
Other Objects:			
21 Travel	332,172	220,000	255,000
22 Transportation of things	17,428	10,000	10,000
23 Communications, utilities and other rent	804,555	696,019	841,859
24 Printing and reproduction ...	28,585	25,114	38,714
25 Other services	466,993	509,958	596,389
26 Supplies and materials	571,325	422,931	464,629
31 Equipment	255,111	202,241	924,970
43 Interest Penalty	<u>226</u>	<u>- -</u>	<u>- -</u>
Total Other Objects	<u>2,476,395</u>	<u>2,086,263</u>	<u>3,131,561</u>
Total Direct Obligations	<u>23,090,002</u>	<u>24,554,000</u>	<u>26,314,000</u>
<u>Position Data:</u>			
Average Salary, ES positions	\$99,455	\$104,044	\$108,934
Average Salary, GM/GS positions	\$43,912	\$46,827	\$49,454
Average Grade, GM/GS positions	10.98	10.97	11.07

OFFICE OF THE GENERAL COUNSEL

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the General Counsel:

For necessary expenses of the Office of the General Counsel, [\$24,554,000].
\$26,314,000

SALARIES AND EXPENSES, CURRENT LAW

Appropriations Act, 1992	\$ 24,554,000
Budget Request, 1993	26,314,000
Increase in Appropriation	<u>+1,760,000</u>

SALARIES AND EXPENSES, PROPOSED LEGISLATION

Budget Estimate, Current Law, 1993	\$ 26,314,000
Change due to proposed legislation	+ 75,000
Net Request, President's 1993 Budget Request	<u>26,389,000</u>

SUMMARY OF INCREASES AND DECREASES, CURRENT LAW
(On basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Change</u>	<u>1993 Estimated</u>
Legal Services..	<u>\$24,554,000</u>	<u>+\$ 879,000</u>	<u>+\$ 881,000</u>	<u>\$26,314,000</u>

PROJECT STATEMENT -- CURRENT LAW
(On basis of appropriation)

<u>Project</u>	<u>:1991 Actual : Amount</u>	<u>: Staff: : Years</u>	<u>: 1992 Estimated : Amount</u>	<u>: Staff: : Years</u>	<u>: Increase or Decrease</u>	<u>: 1993 Estimated : Amount</u>	<u>: Staff: : Years</u>
Legal Services	\$23,090,002	377	\$24,554,000	400	+1,760,000	\$26,314,000	392
Unobligated balances	39,697	:	:	:	:	:	:
Total available:	\$23,129,699	377	\$24,554,000	400	+1,760,000	\$26,314,000	392
G-R-H Reduction:	+301	:	:	:	:	:	:
Total,	:	:	:	:	:	:	:
Appropriation :	<u>\$23,130,000:</u>	:	:	:	:	:	:

EXPLANATION OF PROGRAM

The General Counsel is the chief law officer of the Department and is responsible for providing legal services for all programs, operations, and activities of the Department. The General Counsel is assisted by a Deputy General Counsel and four Associate General Counsels, each of whom is responsible for a portion of the legal work of the Department. The functions of this Office are performed in the Washington office and in five regions which include 22 locations. The Law Library was transferred from the National Agricultural Library in 1982.

The field offices handle legal work relating to the activities of the Agricultural Stabilization and Conservation Service, Agricultural Marketing Service, Commodity Credit Corporation, Farmers Home Administration, Federal Crop Insurance Corporation, Forest Service, Soil Conservation Service, and the Food and Nutrition Service. By delegation of the General Counsel, legal work relating to other programs and activities of the Department may be handled by a field office.

Legal Advice. The Office of the General Counsel issues both formal and informal opinions on legal questions arising in the administration of the Department's programs; prepares or reviews administrative rules and

regulations applicable to the public; drafts proposed legislation; prepares or interprets contracts, mortgages, leases, deeds, and similar documents; prepares patent applications arising out of inventions by Department employees; and considers and determines claims by and against the United States arising out of the Department's activities.

Administrative Proceedings. The Department is represented by the General Counsel in administrative proceedings for the promulgation of rules having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various USDA programs.

Civil Litigation. Civil litigation arising out of the Department's work is handled by the Department of Justice, with attorneys of the Office of the General Counsel assisting in the preparation and trial of such cases. The General Counsel represents the Secretary in administrative proceedings before the Interstate Commerce Commission involving freight rates on farm commodities and in appeals from the decisions of the Commission to the courts. By delegation, the Associate General Counsel for Legislation, Litigation, Research and Operations represents the Department in certain classes of cases before the United States Courts of Appeals.

Criminal Litigation. Criminal cases are reviewed for the purpose of referring them to the Department of Justice.

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$1,760,000 for the Office of the General Counsel consisting of:

(a) No net program change comprised of a decrease of \$1,107,000 in appropriations offset by an increase of \$1,107,000 in new reimbursements.

OGC's appropriation request is reduced by \$1,107,000 based upon the FY 1992 cost of staff to provide legal assistance for programs that are funded through user fees. This reduction will be offset by an increase in reimbursements to OGC from the user fee funds involving programs of the Animal and Plant Health Inspection Service, Agricultural Marketing Service, Federal Grain Inspection Service and Agricultural Stabilization and Conservation Service. Legal services are an integral component of the administration of these user fee programs and the legal costs should be recovered through reimbursements from the affected agencies. These user fee programs are:

Perishable Agricultural Commodities Act	\$ 321,000
United States Warehouse Act	23,000
Animal and Plant Health Inspection Service	207,000
Agricultural Marketing Act	151,000
United States Grain Standards Act	166,000
Tobacco Inspection Act	18,000
Cotton Standards Act	18,000
Plant Variety Protection Act	26,000
Dairy Production Stabilization Act, 1983	52,000
Egg Research and Consumer Information Act	39,000
Honey Research, Promotion and Consumer Information Act ..	18,000
Beef Research and Information Act	16,000
Pork Promotion, Research and Consumer Information Act ..	16,000
Cotton Research and Promotion Act	18,000
Potato Research and Promotion Act	18,000
	<u>\$1,107,000</u>

(b) An increase of \$1,400,000 for general expansion of staff

Need for Change

There have been significant increases in the need for legal services in almost all areas of the office, all of which are demanding substantially increased attention and resources. These needs result from new legislation, court decisions, increased litigation and a general increased need for legal services, such as the predecisional review of regulatory activities.

Constant legislative changes have modified existing programs and added new programs resulting in tremendous numbers of new and more complex legal questions, more regulatory work and substantial litigation. Major changes have occurred every few years over the last decade in farm programs, food stamp, and other feeding programs, Farmers Home Administration programs, and various inspection programs. New programs, such as research and promotion programs, have been added. In addition, many new government-wide statutes have been enacted in such areas as freedom of information, procurement, contract disputes, civil service reform, government ethics, advisory committee management and administrative dispute resolution. Also, there have been new national forest management mandates, combined with the increased application of complex major environmental laws. The additional workload in all OGC program areas has been matched by burgeoning litigation responsibilities. As a result, the Department is not getting the legal counsel it requires. In the face of the increased workload, it is too often impossible to provide timely and effective legal advice and service to our client agencies. The inevitable result is backlogs and unavoidable delays in reviewing and clearing agency rulemakings and correspondence, and in providing legal advice within requested time frames. In addition, the Department's various enforcement and compliance programs are adversely affected. In too many cases, OGC attorneys are simply unable to be involved at the critical planning or predecisional stage of client agency initiatives when agency policy is being developed and key decisions are made.

OGC's client agencies have indicated they find the quality of OGC's work to be good but the quantity lacking. Most agencies recognize the need to significantly increase OGC staff to obtain the support needed for their agency.

Nature of Change

The increased budget request would support 13 additional positions, of which 7 would be for the Washington Offices and 6 would be for the field offices. The additional resources would be used to reduce backlogs, reduce the time now required to review matters, provide increased preventive law involvement and counsel, provide increased appeal and litigation services and generally increase the level of legal services provided by the Office. Particular emphasis would be placed on providing additional services in the procurement and natural resources areas, for Equal Employment Opportunity Commission hearings, and in the administrative dispute resolution area.

(c) An increase of \$588,000 for Office Automation.

Need for Change

The multi-phased contract awarded in support of implementation of a correspondence and docket control system for OGC has yielded a pilot program, which will soon be operational in Washington and two field offices, Atlanta and San Francisco. Expansion to additional field offices is necessary to obtain the benefits of this system.

System requirements have necessitated the utilization of current technological innovations to include both hardware and software modifications.

Nature of Change

The increased budget request will allow OGC to implement a correspondence and docket control system in additional field offices. Existing case records will be converted and added to the new system and the national records database will be operational. Changes to report formats, requirements for additional screens, and further enhancements will be investigated.

Also, additional computer workstations would be purchased in fiscal year 1993. Additional workstations for the staff would be imperative to access our network, utilize the database, prepare legal briefs, produce high quality printed documents, and access Electronic Mail.

- (d) An increase of \$879,000 for pay costs which consists of \$659,000 for the annualization of the Fiscal Year 1992 pay raise and \$220,000 for the Fiscal Year 1993 pay raise.

Need for Change

Personnel requirements for the Office of the General Counsel constitute approximately 90% of the agency's total budget. Average employee compensation costs (i.e., salaries plus benefits) have risen significantly and are projected to approach \$58,918 in fiscal year 1993. Personnel costs to support current on-board staff (excluding reimbursables) total \$23,567,200.

Nature of Change

This increase is essential to sustain the current level of staff and services.

Summary of Proposed Legislation

SUMMARY OF INCREASES AND DECREASES, PROPOSED LEGISLATION

<u>Item of Change</u>	<u>1993</u>		
	<u>Current Law</u>	<u>Program Change</u>	<u>President's Request</u>
Legal Services..	\$26,314,000	\$75,000	\$26,389,000

Explanation of Proposed Legislation

Under proposed legislation, if the government lost a lawsuit under certain circumstances, the agency from whose activities the case arose would pay attorney fees of the winning litigant. If the government won, the agency would receive attorney's fees. The \$75,000 is the difference between anticipated payments and collections.

Office of the General Counsel
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1991 and Estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Alabama.....	\$ 240,440	6	\$ 257,385	6	\$ 265,643	6
Alaska.....	227,341	4	243,363	4	251,127	4
Arkansas.....	586,800	12	628,156	13	760,756	14
California.....	1,147,171	18	1,228,020	18	1,270,492	18
Colorado.....	782,689	14	837,850	15	866,569	15
District of Columbia...	12,816,950	178	13,556,938	189	14,278,551	175
Georgia.....	1,312,590	26	1,405,097	29	1,453,811	29
Illinois.....	494,983	9	529,868	10	547,730	10
Missouri.....	786,628	15	842,067	15	982,208	16
Mississippi.....	186,094	4	199,209	5	428,997	7
Montana.....	415,008	9	444,256	9	570,374	10
Nebraska.....	183,948	4	196,912	4	203,038	4
New Mexico.....	246,322	5	263,682	6	272,162	6
North Carolina.....	130,582	4	139,785	4	143,897	4
Ohio.....	192,655	4	206,233	4	212,687	4
Oklahoma.....	251,006	5	268,696	5	277,353	5
Oregon.....	726,786	13	778,007	14	804,617	14
Pennsylvania.....	717,435	12	767,997	12	794,254	12
Puerto Rico.....	193,507	5	207,145	5	213,632	5
Texas.....	513,683	11	549,886	12	568,454	12
Utah.....	272,822	6	292,050	6	412,803	7
Virginia.....	177,209	4	189,698	4	195,570	4
Wisconsin.....	487,353	9	521,700	11	539,275	11
 Total, Available or Estimate.....	 23,090,002	 377	 24,554,000	 400	 26,314,000	 392
 Unobligated balance ...	 39,697	 --	 --	 --	 --	 --
 Total, Available or Estimate.....	 23,129,699	 377	 24,554,000	 400	 26,314,000	 392

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Purpose Statement

The Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.) authorized the provision of assistance on a competitive basis to foster the development and commercialization of new nonfood, nonfeed products derived from agricultural and forestry commodities. Development of nontraditional uses for farm, ranch and forestry products provides an opportunity to improve U.S. competitiveness in foreign markets, create development and employment opportunities in rural areas, address environmental concerns and lower farm program costs. Programs are managed by the Alternative Agricultural Research and Commercialization Center. Program policy and oversight is provided by a Board which is composed of Federal and private sector scientists, producers and business experts.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

	1991	:	1992	:	1993	
	: Actual	:	: Estimated	:	: Estimated	
	: : Staff-	:	: Staff-	:	: Staff-	
Item	: Amount	: Years	: Amount	: Years	: Amount	: Years
Direct Appropriation	0	: --	: \$4,500,000	: 1	: \$10,000,000:	3

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

Personnel Compensation:	<u>1991</u>	<u>1992</u>	<u>1993</u>
Headquarters			
11 Total personnel compensation	0	118,000	268,000
12 Personnel Benefits	<u>0</u>	<u>21,000</u>	<u>48,000</u>
Total pers. comp & benefits..	0	139,000	316,000
Other Objects:			
21 Travel.....	0	35,000	79,000
22 Transportation of things....	0	1,000	1,000
23.3 Communications, utilities, and misc. charges.....	0	1,000	4,000
24 Printing.....	0	8,000	18,000
25 Other services.....	0	27,000	61,000
26 Supplies and materials.....	0	2,000	5,000
31 Equipment.....	0	7,000	7,000
41 Grants, subsidies and contributions.....	<u>0</u>	<u>4,280,000</u>	<u>9,509,000</u>
Total other objects.....	<u>0</u>	<u>4,361,000</u>	<u>9,684,000</u>
Total direct obligations.....	<u><u>0</u></u>	<u><u>4,500,000</u></u>	<u><u>10,000,000</u></u>

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901-5908), [~~\$4,500,000~~ \$10,000,000 provided that no funds may be used to establish Regional Centers this fiscal year.

This change prohibits the use of the funds appropriated for AARC for FY 1993 from being used during FY 1993 to establish Regional Centers under the current law, funding levels exceeding \$5 million require the establishment of regional centers.

The Department proposed that the initial operation of this program be performed under a single center's control and management in order to assure effectiveness of operations and consistency of policy during these formative years of this program.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Appropriations Act, 1992	\$ 4,500,000
Budget Estimate, 1993	<u>10,000,000</u>
Increase in Appropriations	<u>+5,500,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Alternative Agricultural Research and Commercialization	\$4,500,000	+\$5,500,000	\$10,000,000

PROJECT STATEMENT
(On basis of appropriation)

	: 1991	: 1992	: Increase	: 1993
	: Actual	: Estimated	: or	: Estimated
	: Staff-	: Staff-	: or	: Staff-
	: Amount	: Amount	: Decrease	: Amount
	: Years	: Years	: Years	: Years
1. Alternative Agricultural	:	:	:	:
Research and	:	:	:	:
Commercialization	: --	: +4,500,000	: +\$5,500,000	: \$10,000,000
Total, Available or	:	:	:	:
Estimate	: --	: 4,500,000	: +5,500,000	: 10,000,000

Explanation of Program

Funds appropriated for AARC programs are deposited into the Alternative Agricultural Research and Commercialization Revolving Fund which also will contain fees and royalties, donations and other funds received by AARC. Funds are used to support the development of new products and uses for agricultural and forestry commodities through the programs authorized for AARC. Development of new uses for commodities can address environmental concerns, improve our international competitiveness, provide rural development opportunities and reduce farm program costs.

Support is provided through competitively awarded grants, contracts and cooperative agreements. Ultimate commercial interest in projects is assured through private sector representation on the Board and project selection criteria that encourage private sector funding participation. AARC programs complement research on new uses conducted by the Agricultural Research Service and the Forest Service at Federal labs and grant programs managed by the Cooperative State Research Service.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$5,500,000 for activities of the Alternative Agricultural Research and Commercialization Center (\$4,500,000 available in FY 1992).

Need for Change. Foreign producers are increasingly competitive in world markets for bulk agricultural commodities, traditionally a strength of U.S. agriculture. At the same time, a number of factors are converging to enhance opportunities for the development and commercialization of new, high-value products based on farm, ranch and forest commodities. New environmental regulations, consumer interest for environmentally-benign products, concern with artificial food additives, concern over the U.S. trade deficit and the need to enhance opportunities for rural Americans all support the need to pursue new products based on biomass inputs. New consumer and industrial products from agriculture and forestry can increase farm income and reduce the cost of farm programs, substitute for nonrenewable inputs, enhance the environment and improve our international trade balance. The Alternative Agricultural Research and Commercialization Center offers an appropriate mechanism to fund development of new uses and products with close involvement of the private sector to assure commercial interest.

Nature of Change. Increased funding is proposed for the Alternative Agricultural Research and Commercialization Center (AARCC) initiated during 1992. Funds will support development of new products from agricultural and forestry inputs. Availability of advanced biotechnologies, process engineering techniques and other research methods offers significant opportunity for the development of novel products to meet consumer and industrial demand in domestic and foreign markets. Funds will be allocated consistent with policies and procedures established by AARCC and the governing Board.

AGRICULTURAL RESEARCH SERVICE

Purpose Statement

The Agricultural Research Service was established on November 2, 1953, pursuant to authority vested in the Secretary of Agriculture by 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953, and other authorities.

The research performed by the Agricultural Research Service (ARS) is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201, 2204), the Research and Marketing Act of 1946, as amended (7 U.S.C. 427, 1621), the Food and Agriculture Act of 1977, as amended (7 U.S.C. 1281 note), the Food Security Act of 1985 (7 U.S.C. 3101 note), and the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note).

The Agricultural Research Service is responsible for conducting mission-oriented research on:

- Soil, Water and Air Sciences
- Plant Sciences
- Animal Sciences
- Commodity Conversion and Delivery
- Human Nutrition
- Integration of Agricultural Systems

The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic and environmental conditions.

As the U.S. Department of Agriculture's in-house agricultural research agency, ARS has major responsibilities for conducting and leading the national agricultural research effort. ARS provides initiative and leadership in five areas:

- * Research on broad regional and national problems.
- * Research to support Federal action and regulatory agencies.
- * Expertise to meet national emergencies.
- * Research support for international programs.
- * Scientific resource to the Executive Branch and Congress.

The mission of ARS research is to develop new knowledge and technology which will insure an abundance of high quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the needs to (1) manage and use the Nation's soil, water, air, and climatic resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

Research is conducted at numerous field locations in the States, District of Columbia, Puerto Rico, the Virgin Islands, and in several foreign countries. Much of the work is conducted in direct cooperation with the State agricultural experiment stations, other State and Federal agencies, and private organizations.

Central offices of ARS are in the Washington, D.C. Metropolitan Area. The field activities are managed on a national basis through 8 Area Offices. Activities are carried out at 126 separate field locations. As of September 30, 1991, there were 6,833 full-time employees and 1,843 other than full-time employees. Of the total, 472 full-time employees and 31 other than full-time employees worked in the headquarters office.

AGRICULTURAL RESEARCH SERVICE

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

Item	1991 Actual Amount	Staff- Years	1992 Estimated Amount	Staff- Years	1993 Estimated Amount	Staff- Years
Direct Appropriation:						
Agricultural						
Research Service....	\$624,077,000:	7,911:	\$660,879,000:	7,954:	\$686,678,000:	8,000
Buildings and						
Facilities.....	41,016,000:	--:	50,564,000:	- -:	27,300,000:	- -
Total, Appropriation..	665,093,000:	7,911:	711,443,000:	7,954:	713,978,000:	8,000
Deduct Allotments to						
Other Agencies:						
Forest Service.....	-348,075:	- -:	-361,000:	- -:	-361,000:	- -
Net.....	664,744,925:	7,911:	711,082,000:	7,954:	713,617,000:	8,000
Obligations from other:						
USDA Appropriations:						
Agricultural						
Marketing Service...	217,282:	2:	240,000:	2:	240,000:	2
Animal and Plant						
Health Inspection						
Service.....	8,801,414:	91:	9,650,000:	91:	9,650,000:	93
Federal Grain						
Inspection Service...	483,643:	2:	528,000:	2:	528,000:	2
National Agricultural						
Library.....	554,753:	2:	608,000:	2:	608,000:	2
Forest Service.....	785,683:	2:	864,000:	2:	864,000:	2
Food Safety and						
Inspection Service..	1,738,228:	3:	1,920,000:	3:	1,920,000:	3
Human Nutrition						
Information Service..	59,868:	1:	64,000:	1:	64,000:	1
Office of Interna-						
tional Cooperation						
and Development.....	847,144:	3:	928,000:	3:	928,000:	3
Soil Conservation						
Service.....	395,249:	3:	432,000:	3:	432,000:	3
Cooperative State						
Research Service....	573,234:	2:	640,000:	2:	640,000:	2
Miscellaneous						
Reimbursements.....	110,249:	1:	126,000:	1:	126,000:	1
Total, Other USDA						
Funds.....	14,566,747:	112:	16,000,000:	112:	16,000,000:	114
Total, Agriculture						
Appropriations.....	679,311,672:	8,023:	727,082,000:	8,066:	729,617,000:	8,114

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

Item	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Other Federal Funds:						
Department of Defense:	625,883:	3:	690,000:	3:	690,000:	3
Department of Energy:	560,254:	3:	610,000:	3:	610,000:	3
Department of Health and Human Services...	1,492,399:	5:	1,625,000:	5:	1,625,000:	5
Department of Interior.....	486,602:	2:	530,000:	2:	530,000:	2
Department of State.....	318,083:	2:	345,000:	2:	345,000:	2
Environmental Protection Agency...	887,186:	3:	965,000:	3:	965,000:	3
Miscellaneous Reimbursement.....	217,270:	2:	235,000:	2:	235,000:	2
Total, Other Federal Funds.....	4,587,677:	20:	5,000,000:	20:	5,000,000:	20
Non-Federal Funds:						
State of California..	268,830:	3:	340,000:	3:	340,000:	3
Binational Agriculture Research & Development Agreement (BARD)...	556,321:	6:	704,000:	6:	704,000:	6
Quarters and Subsistence.....	216,181:	2:	276,000:	2:	276,000:	2
Miscellaneous Reimbursement.....	2,122,771:	5:	2,680,000:	5:	2,680,000:	5
Total, Non-Federal Funds.....	3,164,103:	16:	4,000,000:	16:	4,000,000:	16
Miscellaneous Contributed Funds..	6,442,722:	48:	7,500,000:	48:	7,645,000:	50
Total, Agricultural Research Service.....	693,506,174:	8,107:	743,582,000:	8,150:	746,262,000:	8,200

Full-Time Equivalent Staff-Years:	1991 Actual	1992 Estimated	1993 Estimated
Ceiling.....	8,107	8,150	8,200
Non-Ceiling.....	150	150	150
Total.....	8,257	8,300	8,350

Agricultural Research Service

Permanent Positions by Grade and Staff-Year Summary
1991 Actual and Estimated 1992 and 1993

Grade	1991 Actual			1992 Estimate			1993 Estimate		
	Headquarters	Field	Total	Headquarters	Field	Total	Headquarters	Field	Total
ES-6	1	--	1	1	--	1	1	--	1
ES-5	7	8	15	7	8	15	7	8	15
ES-4	--	13	13	--	13	13	--	13	13
ES-3	1	4	5	1	4	5	1	4	5
ES-2	--	1	1	--	1	1	--	1	1
ES-1	--	6	6	3	7	10	3	7	10
GS/GM-15	49	381	430	49	381	430	49	381	430
GS/GM-14	36	529	565	36	529	565	36	529	565
GS/GM-13	106	705	811	106	705	811	106	705	811
GS-12	89	635	724	89	635	724	89	636	725
GS-11	29	447	476	29	447	476	29	452	481
GS-10	1	16	17	1	16	17	1	17	18
GS-9	19	740	759	19	740	759	19	754	773
GS-8	1	297	298	1	297	298	1	298	299
GS-7	33	674	707	36	675	711	36	684	720
GS-6	106	560	666	106	560	666	106	560	666
GS-5	42	552	594	42	552	594	42	555	597
GS-4	19	303	321	18	303	321	18	303	321
GS-3	5	27	32	5	27	32	5	28	33
GS-2	1	8	9	1	8	9	1	8	9
GS-1	--	10	10	--	10	10	--	10	10

Agricultural Research Service
Permanent Positions by Grade and Staff-Year Summary
1991 Actual and Estimated 1992 and 1993

Grade	1991 Actual			1992 Estimate			1993 Estimate		
	Headquarters	Field	Total	Headquarters	Field	Total	Headquarters	Field	Total
Positions at Rates Established by Act June 20, 1958 (U.S.C. 3104) (SF).....	--	23	23	--	23	23	--	23	23
Grades Established under Foreign National Pay Plan Manual..	--	26	26	--	26	26	--	26	26
Ungraded Positions....	--	667	667	--	667	667	--	682	682
Total Permanent Positions....	544	6,632	7,176	550	6,634	7,184	550	6,684	7,234
Unfilled Positions end-of-year	-67	-232	-299	--	--	--	--	--	--
Permanent Employment end-of-year	477	6,400	6,877	550	6,634	7,184	550	6,684	7,234
Staff Years: Ceiling.....	507	7,600	8,107	513	7,637	8,150	513	7,687	8,200
Non-Ceiling..	10	140	150	10	140	150	10	140	150
TOTAL.....	517	7,740	8,257	523	7,777	8,300	523	7,827	8,350

AGRICULTURAL RESEARCH SERVICE

CLASSIFICATION BY OBJECTS1991 Actual and Estimated 1992 and 1993

	<u>1991 Actual</u>	<u>1992 Estimated</u>	<u>1993 Estimated</u>
Personnel Compensation:			
Headquarters.....	\$25,282,644	\$26,846,900	\$28,165,100
Field.....	<u>256,256,216</u>	<u>272,111,100</u>	<u>287,318,800</u>
11 Total Personnel Compensation.....	281,538,860	298,958,000	315,483,900
12 Personnel Benefits.....	56,422,490	60,390,000	63,574,100
13 Benefits for former employees..	<u>539,343</u>	<u>--</u>	<u>--</u>
Total Pers. Comp. & Benefits.....	338,500,693	359,348,000	379,058,000
Other Objects:			
21 Travel and transportation of persons.....	9,504,276	10,157,000	10,692,000
22 Transportation of things.....	1,515,962	1,620,000	1,717,000
23 Communications, utilities and miscellaneous charges.....	28,238,880	30,179,000	30,983,000
24 Printing and reproduction.....	1,035,247	1,106,000	1,172,000
25 Other services.....	132,411,312	142,268,000	139,732,000
26 Supplies and materials.....	49,881,076	53,308,000	55,494,000
31 Equipment.....	45,989,092	49,148,000	54,085,000
32 Lands and Structures.....	33,914,235	53,554,000	63,673,000
41 Grants, subsidies, and contributions.....	<u>8,259,813</u>	<u>8,827,000</u>	<u>8,827,000</u>
Total Other Objects.....	<u>310,749,893</u>	<u>350,167,000</u>	<u>366,375,000</u>
Total Obligations.....	<u>649,250,586</u>	<u>709,515,000</u>	<u>745,433,000</u>

Position Data:

Average Salary, ES positions.....	\$101,905	103,444	106,314
Average Salary, GM/GS positions.....	33,755	36,202	37,962
Average Grade, GM/GS positions.....	9.58	9.58	9.58
Average Salary of Ungraded positions.....	35,479	37,253	38,286

Note: Includes Salaries and Expenses and Buildings and Facilities Obligations.

AGRICULTURAL RESEARCH SERVICE
(INCLUDING TRANSFERS OF FUNDS)

The estimates include proposed changes in the language of this item as follows
(New language underscored; deleted matter enclosed in brackets):

Agricultural Research Service:

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, [~~\$658,379,000~~] \$684,178,000: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That appropriations hereunder shall be available to conduct marketing research: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed \$250,000, except for headhouses or greenhouses which shall each be limited to \$1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed \$500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or \$250,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That the foregoing limitations shall not apply to the purchase of land or the construction of facilities as may be necessary for the relocation of the United States Horticultural Crops Research Laboratory at Fresno to Parlier, California, and the relocation of the laboratories at Behoust, France and Rome, Italy to Montpelier, France, including the sale or exchange at fair market value of existing land and facilities at Fresno, California and Behoust, France; and the use of proceeds from the sale, which shall be deposited in a trust fund in the United States Treasury and which shall remain available until expended, for acquisition of real property and equipment, for construction of replacement facilities, and for relocation costs; and the Agricultural Research Service may lease such existing land and facilities from the purchasers until completion of the replacement facilities [and the foregoing limitations shall not apply to the purchase of land at Weslaco, Texas]: Provided further, That not to exceed \$190,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Assistant Secretary for Science and Education for the scientific review of international issues involving agricultural chemicals and food additives: Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, \$2,500,000.

This change would delete language for the purchase of land at Weslaco, Texas. This language will not be required in FY 1993.

AGRICULTURAL RESEARCH SERVICE

Appropriation Act, 1992.....	\$660,879,000
Budget Estimate, 1993.....	<u>686,678,000</u>
Increase in Appropriation.....	<u>+25,799,000</u>

SUMMARY OF INCREASES AND DECREASES
 (On basis of specific projects)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
1. Research on preservation of plant germplasm.....	\$20,542,000	- -	+\$1,200,000	\$21,742,000
2. Research for improved pest management practices...	34,495,000	- -	+2,000,000	36,495,000
3. Research on improved control of sweet-potato whitefly.....	1,466,000	- -	+ 964,000	2,430,000
4. Research to enhance utilization of agricultural products..	65,949,000	- -	+5,000,000	70,949,000
5. Research on biomass fuels.....	3,443,000	- -	+4,248,000	7,691,000
6. Research on human nutrition.....	49,942,000	- -	+5,000,000	54,942,000
7. All other.....	<u>485,042,000</u>	<u>+\$7,387,000</u>	<u>- -</u>	<u>492,429,000</u>
Total Available.....	<u>660,879,000</u>	<u>+7,387,000</u>	<u>+18,412,000</u>	<u>686,678,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of program activity)

<u>Projects</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
1. Research on soil, water, and air sciences.....	\$81,964,000	+\$877,000	- -	\$82,841,000
2. Research on plant sciences.....	244,766,000	+3,079,000	+\$4,164,000	252,009,000
3. Research on animal sciences.....	112,525,000	+1,482,000	- -	114,007,000
4. Research on commodity conversion and delivery.....	127,429,000	+1,551,000	+9,248,000	138,228,000
5. Human nutrition research.....	49,942,000	+189,000	+5,000,000	55,131,000
6. Integration of agri- cultural systems.....	25,962,000	+209,000	- -	26,171,000
7. Repair and maintenance of facilities.....	14,986,000	- -	- -	14,986,000
8. Contingencies.....	929,000	- -	- -	929,000
9. Construction of facilities.....	<u>2,376,000</u>	<u>- -</u>	<u>- -</u>	<u>2,376,000</u>
Total Available.....	<u>660,879,000</u>	<u>+7,387,000</u>	<u>+18,412,000</u>	<u>686,678,000</u>

Note: In line with updating the 6 year Implementation Plan and the classification system of the Strategic Plan, the Agency found that the previous version of the classification system of the Strategic Plan overlapped in several areas, being too specific in some cases and too broad in others. There were some inconsistencies among the six broad program objectives in classifying, defining and reporting the substructure researchable problems. The overall system needed to be updated and refined. The Agency implemented the revised classification system effective June 1, 1991, recoding all projects to reflect the changes in the classification system. A major change involved the transfer of all systems-related research from other program objectives which caused a significant increase in funding reported under the "Integration of Agricultural Systems" program objective. However, this reclassification better represents the research being conducted by ARS in support of its six broad program objectives.

Project Statement
(on the basis of adjusted appropriation)

PROJECT	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	AMOUNT	Staff Years	AMOUNT	Staff Years		AMOUNT	Staff Years
1. Research on soil, water, and air sciences.....	\$72,939,809	933	\$81,964,000	938	+\$877,000 (1)	\$82,841,000	940
2. Research on plant sciences.....	232,546,930	3,326	244,766,000	3,344	+7,243,000 (2)	252,009,000	3,354
3. Research on animal sciences.....	107,802,068	1,576	112,525,000	1,585	+1,482,000 (3)	114,007,000	1,589
4. Research on commodity conversion and delivery.	120,849,446	1,650	127,429,000	1,659	+10,799,000 (4)	138,228,000	1,677
5. Human nutrition research.....	48,195,303	224	49,942,000	225	+5,189,000 (5)	55,131,000	237
6. Integration of agricultural systems.....	23,404,182	202	25,962,000	203	+209,000 (6)	26,171,000	203
7. Repair and maintenance of facilities.....	13,926,096	- -	14,986,000	- -	- -	14,986,000	- -
8. Contingencies	a/	- -	929,000	- -	- -	929,000	- -
9. Construction of facilities	2,376,062	- -	2,376,000	- -	- -	2,376,000	- -
Unobligated balance.....	2,036,991	- -	- -	- -	- -	- -	- -
Total, available or estimate...	624,076,887	7,911	660,879,000	7,954	+25,799,000	686,678,000	8,000
6-R-H reduction.	8,113	- -	- -	- -			
Total, Appropriation.....	624,085,000	7,911	660,879,000	7,954			

a/ Obligations incurred under the Research Contingency Fund in 1991 amount to \$429,343 and are reflected in the Program Activities listed above.

AGRICULTURAL RESEARCH SERVICE

Explanation of Program

Under the Agriculture, Rural Development and Related Agencies Appropriations, the Agricultural Research Service develops the means for:

1. Managing and enhancing the Nation's soil, water, and atmospheric resources to optimize agricultural productivity and environmental quality. -- Research is conducted to develop the technology for assessing and predicting long-term changes in the quantity and quality of the Nation's soil, water, and atmospheric resources; to provide the technology needed for improving, protecting, and restoring the productive capacity of agricultural soils; to develop improved soil and water management systems and practices to optimize the quality and efficient use of water resources; and to understand and optimize interactions of climate with soil, water, crops, and their management.
2. Maintaining and increasing the productivity and quality of crop plants. -- Research is conducted to broaden the germplasm resources of plants and beneficial organisms to ensure maximum genetic diversity and opportunities for improved productivity; to select and modify germplasm of plants and beneficial organisms; to develop improved production practices for maintaining and increasing production efficiency, crop productivity and quality and for reducing costs; to discover principles and develop improved methods for reducing crop losses caused by weeds, diseases, insects, nematodes, and other pests; to increase knowledge of the biology of plants; and to develop improved methods for integrating the crop- and pest-management practices needed for higher and more stable levels of crop production.
3. Increasing the productivity of animals and the quality of animal products. -- Research is conducted to increase the genetic capacity of animals for production; to improve the efficiency of reproduction and reproduction-related biological processes; to improve animal nutrition and feed efficiency to increase productivity and product quality; to develop ways to prevent or control losses from diseases, parasites, and toxicants and other substances that limit animal performance and reduce the quality of animal products; to develop means for controlling insects, ticks, and mites that affect animals and man; and to devise means for improving and integrating procedures and facilities for production and transport of animals to increase productivity, reduce costs, and minimize stresses.
4. Achieving maximum use of agricultural commodities in domestic markets and export. -- Research is conducted to maintain and improve the economic viability and competitiveness of U.S. agriculture by improving quality and performance of commodities, by meeting consumer and regulatory safety criteria, by devising environmentally benign, safe processing concepts, and by expanding domestic and global market opportunities through development of value-added food and nonfood products.
5. Promoting optimum human health and well-being through improved nutrition and family resource management. -- Research is conducted to define the cellular and molecular functions, requirements, and interactions of nutrients for humans at all stages of the life cycle; to explore genetic diversity and individual variation in nutrient needs; to determine the nutrient content of agricultural commodities and processed foods as eaten, and establish the bioavailability of their nutrients; and to improve the nutritional status of humans and the well-being of families by making techniques available for assessing the nutrient intake and nutritional status of the population.

6. Integrating knowledge of agricultural production, processing, and marketing into management systems which optimize utilization of users resources and net returns. -- Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products; and to develop alternative production systems, adapted to users with limited and extended resources, which are economically and environmentally sustainable.
7. Repair and maintenance of facilities. -- Funds are used to repair and maintain ARS facilities to provide safe, energy-efficient and functional workspace for in-house research. In addition to this national program which focuses primarily on safety and energy retrofit projects, ARS is committed to adequately funding routine maintenance and repair. To assure that all facilities are properly maintained, each location allocates program funds as appropriate to perform the most pressing needs.
8. Contingencies. -- These funds established by Congress in fiscal year 1962, provide for necessary contingency financing for urgent items requiring immediate research action, including research demanded by emergency situations, unforeseeable research needed because of unexpected scientific breakthroughs, funding for damaged but urgently needed facilities, and other related needs where time is of the essence.
9. Construction of facilities. -- These funds are to complement the funding under Buildings and Facilities and accelerate the restoration and upgrading of the Beltsville Agricultural Research Center.

The research performed by Agricultural Research Service (ARS) is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201, 2204); the Research and Marketing Act of 1946, as amended (7 U.S.C. 427, 1621); the Food and Agriculture Act of 1977, as amended (7 U.S.C. 1281 note); the Food Security Act of 1985 (7 U.S.C. 3101 note); and the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note).

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$877,000 for research on Soil, Water, and Air Sciences consisting of:
 - (a) An increase of \$877,000 for pay costs, which consists of \$570,000 for the annualization of the Fiscal Year 1992 pay raise, and \$307,000 for part of the cost of the Fiscal Year 1993 pay raise.
- (2) An increase of \$7,243,000 for research on Plant Sciences consisting of:
 - (a) An increase of \$3,079,000 for pay costs, which consists of \$2,006,000 for the annualization of the Fiscal Year 1992 pay raise, and \$1,073,000 for part of the cost of the Fiscal Year 1993 pay raise.
 - (b) An increase of \$1,200,000 for preservation of plant germplasm (\$20,542,000 available in FY 1992).

Need for Change. Genetic improvement of crop species, whether to protect them from biotic and abiotic stresses or to improve their quality, nutritional characteristics, and production efficiency, depends on a strong continuum of activities related to plant germplasm. Appropriate collections of germplasm must be acquired. These collections must then be safely preserved, characterized, and made available for distribution. A broader range of experts must then be involved in the systematic evaluation of the collections for important traits, such as disease reactions, agronomic features, and nutritional and quality factors. Current support is inadequate to expand and strengthen programs which are essential to address emerging pest and disease problems and meet U. S. and world food and fiber needs.

Nature of Change. New molecular technologies will be used to properly identify and catalog plants now in the National Plant Germplasm System. This information will be recorded in the Germplasm Resources Information Network (GRIN) database. ARS will continue to facilitate plant quarantine processing by conducting research to detect potentially catastrophic disease agents. Research on methods of long-term preservation, conducted at five repositories, will complement the existing activities of the expanded National Seed Storage Laboratory at Fort Collins, Colorado.

- (c) An increase of \$2,000,000 for improved pest management practices (\$34,495,000 available in FY 1992).

Need for Change. The productivity and efficiency of agriculture in the United States has been fostered by the use of synthetic organic pesticides to control insects, mites, weeds, plant pathogens, and nematodes. Reliance on this single control strategy, however, has created problems and broad public concerns. Broad spectrum chemical pesticides are toxic in various degrees to nontarget organisms. Destruction or disruption of existing natural predators, pathogens, antagonists, and parasites with improper or excessive pesticide use causes new pest problems. There is widespread public concern over the potential contamination of water and pesticide residues in food, and for the safety of farm workers. Pest resistance and degradation by soil microorganisms have diminished pesticide efficacy. The challenge is to sustain food and fiber productivity through the use

of economically sound pest control methods that do not cause environmental and food safety problems. Special emphasis should be given to the maximum utilization of resident and introduced biological control organisms. There is an urgent need to develop large area system approaches to pest control that address environmental concerns, production economics, pest resistance to pesticides, cancellation of some compounds and concerns about health effects on farm workers.

Nature of Change. Pest management strategies will be developed that involve maximum utilization of biological control organisms and other alternative control technologies, which are compatible with existing crop production systems. Pest management programs that target the individual pests alone are not enough. It is necessary to consider the entire cropping system with management programs. Even the crop is only one part of an integrated system that requires management of all factors affecting production--including soil conditions, crop rotations, varietal selection, weather, plant health, pests, economics, past and future crops, labor, equipment, purchased inputs, and government intervention.

A range of management and technological options will be evaluated to reduce on-farm costs, protect health and environmental quality, and enhance beneficial biological interactions and natural processes. The overall program will be organized around major agricultural production systems. The types of production systems that will be addressed include fruits, vegetables, grains, and fiber crops.

Resources will be used to conduct large-scale (area/region) agricultural programs to demonstrate alternative practices that will minimize inputs, reduce off-site environmental effects, conserve and augment biocontrol organisms, increase the efficacy of chemicals applied, and increase the management tools available to producers while maintaining an economically viable farming enterprise.

The biological control program will concentrate on reducing the threat to immigrant pests by discovery, importation, and use of beneficial organisms that are natural enemies of major insects, weeds, and plant pathogens.

Management options will be developed for foliar, bacterial, and viral plant pathogens. Biologically based control procedures will be advanced by improving the technology for use of microbial agents against weeds, plant nematodes, and insects.

Biological control by augmentation of natural enemy populations will be developed for pest control in important economic crops with particular emphasis on vegetables and other low-acreage crops where chemical pesticides are being removed from crop production because of lack of pesticide reregistration.

- (d) An increase of \$964,000 for research to develop improved non-chemical and chemical controls for sweetpotato whitefly (\$1,466,000 available in FY 1992).

Need for Change. Over the last several years, the sweetpotato whitefly has become an increasingly significant pest in field crops and has caused hundreds of millions of dollars of crop losses to cotton, vegetable and nursery crops in California, Arizona, Texas, Florida and Georgia. Adequate pest control methods are not

currently available to combat this insect which caused major crop losses in 1991. Fundamental information on sweetpotato whitefly systematics, biology, behavior, ecology and virus transmission is essential to the design of an effective management system to deal with this serious problem. Additional research on the efficacy of pesticides to sweetpotato whitefly and effective formulation design is needed. Expanded and accelerated programs to provide the technology for effective use of chemical and non-chemical control strategies are essential for short- and long-term solutions to this newly emerged, devastating pest.

Nature of Change. Fundamental and applied research will be expanded to cover the following areas of investigation: (a) basic sweetpotato whitefly biology, ecology, population dynamics and dispersal; (b) identification, morphology, genetics, physiology and behavior; (c) testing of chemical controls, biorational insecticides and application technology; (d) biological control; (e) crop management systems; (f) and host plant resistance. These areas have been identified as the highest priorities for immediate action by the Sweetpotato Whitefly Task Force consisting of representatives from State universities, CSRS, APHIS, ARS, ES, and several commodity groups.

(3) An increase of \$1,482,000 for research on Animal Sciences consisting of:

(a) An increase of \$1,482,000 for pay costs, which consists of \$964,000 for the annualization of the Fiscal Year 1992 pay raise, and \$518,000 for part of the cost of the Fiscal Year 1993 pay raise.

(4) An increase of \$10,799,000 for research on Commodity Conversion and Delivery consisting of:

(a) An increase of \$1,551,000 for pay costs, which consists of \$1,009,000 for the annualization of the Fiscal Year 1992 pay raise, and \$542,000 for part of the cost of the Fiscal Year 1993 pay raise.

(b) An increase of \$5,000,000 to improve agricultural product utilization (\$65,949,000 available in FY 1992).

Alternative uses and value-added products -- \$4,000,000

Need for Change. U.S. Agriculture has been successful in devising efficient production systems. The U.S. has established world leadership in production efficiency and in quality of agricultural commodities. To make full use of our rich resources in land, people and know-how, there is clear need to develop technology which will lead to additional uses and markets for these commodities. Historically, industry has been stimulated to develop these new markets based on new knowledge opened up by ARS and university research. A clear example is the use of starch in superabsorbent polymers, used in diapers and in a variety of industrial specialties. In the case of commodities grown for other than food use, such as cotton, difficult basic problems limit their markets. Besides increasing farm income, expanded markets based on new technologies will impact other important National Goals. They will reduce the burden of farm program costs and, through increased exports, improve our balance of payments. New agriculture-based products often lead to new manufacturing plants in farming areas, and thus enhance rural development. Some new areas of research--such as novel biological control products and encapsulated pesticides based on starch--will decrease use of synthetic or organic chemicals and thus benefit the environment.

Nature of Change. Applications of advanced biotechnologies and process engineering techniques will be developed to provide the basis for development of new materials and products to serve a variety of markets. Research targets are selected by ARS according to societal needs. The public is turning more and more toward "green consumerism." Environmental concerns are mounting. For example, groundwater pollution is perceived to be due to chemical pesticides; biological control agents as substitutes or adjuncts to chemicals are being demanded. Biotechnological methods will be developed for converting cereal starch, in process systems, to a range of environmentally benign biopesticides.

Loadings on landfills due to plastic articles which do not degrade, are increasing. Research information will be generated leading to novel biomaterials from starch and biopolymers of microbial origin. Total biodegradability is a target. By encapsulating pest control agents with starch-based biomaterials, application rates of pest control agents will be decreased with consequential benefits to the environment and lower production costs.

Consumers are worried, too, about artificial additives in foods and cosmetics. ARS will expand its knowledge base of food microorganisms capable of producing natural flavors, colors, and preservatives. Biotechnological systems will be developed which will permit waste from the dairy industry (such as cheese whey lactose) to be transformed to valuable natural product derivatives which do not pose a health risk. Improvements in oats and barley will be sought to meet specific needs in human and animal nutrition and in industry. Protein, oil, beta-glucans (fiber) and hull components will be manipulated to optimize performance in each end-use.

Through a combination of genetic engineering and conventional breeding, the strength and fineness of the cotton fiber will be improved, to broaden applications and improve the competitive position in fiber markets. Also, permanent press treatments for 100 percent cotton fabrics (for shirts, sheets and trousers) will be improved to expand cotton markets and to strengthen the domestic industry against imports of foreign textiles.

Converting food/agricultural processing wastes -- \$1,000,000

Need for Change. Industry's processing of meats, fruits, oilseeds, and other commodities generate copious wastes which must be disposed of. Because of potential pollution problems industry's cost of disposal adds to production cost which makes us less competitive versus foreign competition. For example, in the case of citrus waste, markets identified thus far in animal feeds are valued at only 3 to 4 cents per pound. Some other wastes have very limited value as low class fuels. Opportunities for new high value uses exist, based on modern fermentation technology and on valuable properties recognized in many waste products.

Nature of Change. Through processing of a variety of wastes the cost in their associated agricultural production can be reduced. Research will be pursued to develop means to upgrade citrus processing waste to high value chemical specialty products by fermentation. Cellulosic waste (such as straw, cotton gin trash, pecan and peanut shells) will be evaluated in plastic materials, for

enhanced performance and biodegradability and as absorbents for water and oil spills. Enzymatic hydrolysis of meat industry waste products, to specialty proteins and their use in agricultural and food applications, will be explored. Many seed and cereal hull wastes are potential absorbents for toxic heavy metals from industry waste streams, and their use will be evaluated.

- (c) An increase of \$4,248,000 for research on biofuels (\$3,443,000 available in FY 1992).

Need for Change. Alcohol and biodiesel fuels have the potential to help meet the environmental challenges contained in the National Energy Strategy, the Clean Air Act Amendments and state regulations, and the Department's Global Change Plan. In addition to reducing dependence on foreign oil, they would contribute to USDA goals on rural development, conversion of raw agricultural commodities to higher value products, enhancement of farm income, and reduction of farm program costs. There is a need to develop technologies and systems that reduce production costs of alcohol and biodiesel fuels made from a variety of agricultural feedstocks, and increase the value of the conversion residues.

Nature of Change. In regard to the manufacture of ethanol fuel for use as an octane enhancer, an oxygenate, and in flexible fuel vehicles, ARS will focus on developing technology to reduce the cost of converting cereal starches and their residues to ethanol. The feasibility of developing crops tailored as feedstocks for biofuels production will be investigated. Also, the environmental impact of using agricultural cellulosic wastes will be assessed.

A key to development of economically viable bioconversion processes lies in the manufacture of marketable high-margin coproducts. Through screening and genetic engineering of microorganisms, fermentor productivities will be enhanced. Enzyme reaction and recovery systems will be optimized. A range of chemical specialty coproducts and fertilizers will be manufactured, for example, from the residues of the alcohol conversion processes.

To overcome the problems with engine deposits, ring sticking, injector choking, and increased viscosity of the lubricating oil using unprocessed vegetable oils as a diesel fuel, technology for the modification of the chemical and physical properties of the unprocessed vegetable oils will be developed.

Combustion characteristics of these biodiesels will be improved and gaseous emissions tested to comply with EPA requirements. Coproduct technology will be devised. An evaluation will be made of a range of feedstocks for biodiesel manufacture.

Rational development of bioprocess systems for concomitant production of biofuels and coproducts will be guided by applying computer simulation and biochemical engineering methodology. Process scale-up will be performed.

- (5) An increase of \$5,189,000 for research on Human Nutrition consisting of:

- (a) An increase of \$189,000 for pay costs, which consists of \$123,000 for the annualization of the Fiscal Year 1992 pay raise, and \$66,000 for part of the cost of the Fiscal Year 1993 pay raise.

- (b) Increase of \$5,000,000 for human nutrition research (\$49,942,000 available in FY 1992).

Determine nutrient and food components that may
reduce chronic disease risk

Need for Change. Consumption of several foods has been associated with reduced disease risk and improved health. The most striking examples are the associations of green and yellow vegetables and fruits with reduced cancer rates and fiber-containing foods with reduced rates of cardiovascular disease and colorectal cancer. These health effects cannot be explained on the basis of known nutrients.

Many newly identified compounds have been suggested as metabolically active components for which we have a dearth of compositional information. Three groups of compounds are of particular interest--carotenoids, found in green and yellow vegetables and tomatoes; phenols, of which ellagic acid is an example (found in cabbage, broccoli, brussels sprouts, strawberries and apples), and bioflavonoids (present in citrus). Better methods of analysis and generation of food composition databases for these compounds are essential for improvement of varieties.

Nature of Change. This research will (1) devise methods and extend information on components of foods of primary health significance, including carotenoids, antioxidants, and nonsaponifiable lipids; (2) determine amounts of the different forms of essential nutrients in foods and measure their metabolic availability in humans; and (3) devise methodology and determine kinds and amounts of dietary fiber and lipid components in commonly consumed plant foods.

Clarify mechanisms of food components in reducing
chronic disease risk

Need for Change. More information is needed about the effects of dietary fats in terms of their fatty acid makeup and other lipid components (sterols, antioxidants) and relationship to risk factors for chronic disease.

Nature of Change. Studies will be designed to answer the following: (1) What is the metabolic significance of the amounts and ratios of various fatty acids, including saturated, monounsaturated, and polyunsaturated, as related to regulation of the synthesis of cholesterol, apolipoproteins, prostaglandins, thromboxanes, and leukotrienes? (2) Can soybean oil serve as a satisfactory source of omega-3 (n-3) fatty acids? (3) Can appropriate dietary mixtures of fats provide a balance of fatty acids that will eliminate any adverse effect of saturated fatty acids, aside from their high energy density? And (4) can saturated fatty acids, particularly stearic acid in meats, improve the absorption of iron and other minerals?

Studies will be conducted to characterize the components of animal protein and fat that enhance absorption of iron (both heme and nonheme). Mechanisms of the effects of these components on digestion and absorption will be determined so that appropriate combinations of plant and animal products can be incorporated into diets.

Nutrient functions to define nutritional status

Need for Change. The cost and other limitations of currently available methods of measuring the functional impairment and reduced tissue levels of essential nutrients and their metabolites makes it very difficult to identify marginal nutritional status of individuals. Without rapid, reliable, and cost-effective methods of assessing nutritional status, suitable for use under field conditions, accurate assessment of the effectiveness of feeding or educational programs and nutritional monitoring of U.S. populations will remain difficult and expensive.

Individuals vary markedly in their requirements for nutrients, yet the basis for most of the differences remains unclear. Differences in body size, activity, sex, physiological condition, environment, and life-style account for part. But genetic differences of individuals can also result in material differences in the need for specific nutrients, because of differences in physiological processes in the body.

Nature of Change. Continued efforts will be directed to devising improved methods for measuring marginal nutritional status and for determining accurate food intakes of individuals. Efforts will be directed to determining the genetic basis for those differences that can importantly affect individual nutrient needs, thus permitting the identification of persons with unusual dietary needs and clarifying optimum intakes of nutrients for population recommendations. Those factors that control energy balance and cause the difference in energy use among individuals who consume the same foods but have quite different energy balance will be investigated, using a direct/indirect calorimeter. Metabolic studies of cellular pathways of energy-yielding nutrients will also contribute to that understanding.

Define important mineral functions and nutrient interactions

Need for Change. Most diets contain less than the 1.5 mg of copper estimated as safe by the 1985 RDA Committee of the NRC. Research at Grand Forks has revealed that copper deficiency in humans and laboratory animals results in the same risk factors associated with ischemic heart disease. Further, ARS scientists have found that dietary fructose increases the dietary need for copper. The mounting increase in consumption of fructose from beverages containing high fructose corn syrup in the U.S. diet, coupled with the lack of information about the minimum copper requirement and its role in the prevention of coronary heart disease, makes it critically important that more be learned about these relationships.

The mineral element boron is apparently needed to prevent the excessive bone mineral loss that occurs in postmenopausal women with osteoporosis. An ARS study showed that dietary restriction of boron intake caused an increase in urinary loss of calcium and other minerals. Blood levels of three hormones involved in calcium metabolism were also affected. Boron is also involved in the maturation of cartilage cells and calcium and magnesium metabolism in experimental models.

Nature of Change. Human feeding studies will be conducted under carefully controlled conditions to define the copper requirement as it is affected by fructose in the diet. Biochemical, physiological

and neurological tests will be made to develop a functional indication of copper requirement. Research will focus on the role of boron in bone health, the quantitative dietary needs, and the importance of fruits and vegetables in the diet to provide adequate amounts of this trace element.

- (6) An increase of \$209,000 for research on Integration of Agricultural Systems consisting of:
- (a) An increase of \$209,000 for pay costs, which consists of \$136,000 for the annualization of the Fiscal Year 1992 pay raise, and \$73,000 for part of the cost of the Fiscal Year 1993 pay raise.

CONTINGENCY RESEARCH FUND

The Contingency Research Fund, established by Congress in Fiscal Year 1962, is designed to provide a ready source of funds to meet unforeseen and immediate research needs. Releases from the fund are generally made in situations where an emergency exists, or for special needs such as an unexpected scientific "breakthrough," or for new diseases or pest problems where it appears inadvisable to wait for consideration of a request for funds for the project in the regular budget process. In allocating funds, the procedure is to make no commitments for allocations from the fund beyond the current year.

1991 Obligations

Establish Africanized Honey Bee identification service program for regulatory agencies, Beltsville, Maryland ...	\$50,000
Refine Africanized Honey Bee data base system, and develop new identification manual, Baton Rouge, Louisiana	30,000
Establish Africanized Honey Bee trap service program in Texas for APHIS and Texas A&M, Weslaco, Texas	120,000
Boiler replacement, Stoneville, Mississippi	13,488
Install new engine in the Plum Island Animal Disease Center service boat, J.J. Callis, Greenport, New York ...	59,326
Replace air conditioning coils damaged by January freeze, Albany, California	23,300
Repair damage to pumps, plumbing, water lines, drip irrigation emitters, and coils damaged by January freeze, Fresno, California	10,300
Redesign rhizotron structure destroyed during wind storm, Auburn, Alabama	6,486
Clean up tree damage and remove fence damaged by tornado, Wyndmoor, Pennsylvania	15,000
Repair electrical lines and flood damage caused by Hurricane Bob, Greenport, New York	36,943
Replace damaged furniture, supplies, equipment, files, walls and flooring destroyed by vandalism, and install emergency services surveillance equipment, Pullman, Washington	<u>64,500</u>
Total, FY 1991 Obligations	<u>429,343</u>

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1991		Estimated 1992		Estimated 1993	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
ALABAMA, Auburn.....	\$2,712,095	40	\$2,745,400	40	\$2,745,400	40
ALASKA, Fairbanks.....	746,047	7	725,700	7	725,700	7
ARIZONA						
Phoenix.....	5,941,208	92	6,108,200	94	6,333,200	95
Tucson.....	3,548,241	46	3,007,300	45	3,119,800	46
Total.....	9,489,449	138	9,115,500	139	9,453,000	141
ARKANSAS						
Booneville.....	1,165,180	19	1,336,700	20	1,336,700	20
Fayetteville.....	764,747	5	951,100	6	951,100	6
Stuttgart.....	361,058	3	551,900	4	551,900	4
Total.....	2,290,985	27	2,839,700	30	2,839,700	30
CALIFORNIA						
Albany.....	19,562,965	242	19,937,500	242	20,207,500	246
Brawley.....	285,626	5	302,300	5	302,300	5
Davis.....	1,504,901	22	1,594,400	22	1,594,400	22
Fresno.....	3,889,599	71	3,770,000	72	3,770,000	72
Pasadena.....	1,526,604	19	1,497,800	19	1,497,800	19
Riverside.....	4,083,574	49	3,866,700	50	3,866,700	50
Salinas.....	1,799,499	33	1,861,500	33	1,861,500	33
San Francisco.....	4,375,566	41	4,603,100	42	5,278,100	44
Shafter.....	948,262	10	1,199,700	11	1,199,700	11
Total.....	37,976,596	492	38,633,000	496	39,578,000	502
COLORADO						
Akron.....	1,107,144	15	1,152,700	15	1,152,700	17
Fort Collins.....	10,157,980	145	9,970,500	147	10,150,500	147
Total.....	11,265,124	160	11,123,200	162	11,303,200	164
DELAWARE						
Georgetown.....	724,042	11	747,800	11	747,800	11
Newark.....	691,627	11	609,700	11	609,700	11
Total.....	1,415,669	22	1,357,500	22	1,357,500	22
DISTRICT OF COLUMBIA						
Program.....	4,198,720	56	4,353,700	69	4,353,700	80
Headquarters						
Federal						
Administration.....	31,062,342	507	35,257,200	513	35,257,200	513
Centrally Fi-						
nanced Services....	7,324,927	- -	8,936,700	- -	8,936,700	- -
Subtotal.....	38,387,269	507	44,193,900	513	44,193,900	513
Total.....	42,585,989	563	48,547,600	582	48,547,600	593
FLORIDA						
Brooksville.....	767,853	10	726,800	10	726,800	10
Canal Point.....	879,769	22	937,600	22	937,600	22
Fort Lauderdale.....	669,421	11	667,600	11	667,600	11
Gainesville.....	9,383,484	138	9,457,300	139	9,457,300	139
Miami.....	1,587,526	32	1,710,100	33	1,710,100	33
Orlando.....	4,459,315	65	4,344,000	66	4,569,000	67
Winter Haven.....	1,235,758	19	1,258,400	19	1,483,400	19
Total.....	18,983,126	297	19,101,800	300	19,551,800	301

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1991		Estimated 1992		Estimated 1993	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
GEORGIA						
Athens.....	14,007,421	194	14,549,800	196	14,909,800	197
Byron.....	2,099,461	40	2,188,700	40	2,188,700	40
Dawson.....	1,976,837	32	2,100,100	32	2,100,100	32
Experiment.....	1,554,919	16	1,653,400	16	1,833,400	17
Savannah.....	2,530,961	43	2,710,800	44	2,710,800	44
Tifton.....	7,626,251	110	7,624,200	111	7,624,200	111
Watkinsville.....	1,999,732	22	2,021,700	22	2,021,700	22
Total.....	31,795,582	457	32,848,700	461	33,388,700	463
HAWAII, Honolulu.....	9,014,000	89	8,920,600	89	8,920,600	89
IDAHO						
Aberdeen.....	1,927,222	18	2,007,000	18	2,119,500	19
Boise.....	1,417,353	19	1,592,500	19	1,592,500	19
Dubois.....	2,070,743	14	2,078,500	14	2,078,500	14
Kimberly.....	2,251,794	39	2,545,400	40	2,545,400	40
Total.....	7,667,112	90	8,223,400	91	8,335,900	92
ILLINOIS						
Peoria.....	23,660,349	295	25,380,200	297	26,775,200	302
Urbana.....	3,343,163	45	3,550,300	46	3,550,300	46
Total.....	27,003,512	340	28,930,500	343	30,325,500	348
INDIANA, Lafayette.....	3,611,929	37	4,550,900	39	4,550,900	39
IOWA, Ames/Ankeny.....	24,061,046	321	25,177,400	324	25,357,400	325
KANSAS, Manhattan.....	4,553,430	66	4,600,000	67	4,600,000	67
KENTUCKY, Lexington....	1,666,055	16	1,535,200	16	1,535,200	16
LOUISIANA						
Baton Rouge.....	2,067,098	32	1,978,100	32	1,978,100	32
Houma.....	1,487,819	32	1,364,000	32	1,364,000	32
New Orleans.....	16,784,234	211	17,070,800	212	17,565,800	214
Total.....	20,339,151	275	20,412,900	276	20,907,900	278
MAINE, Orono.....	733,712	7	857,900	8	857,900	8
MARYLAND						
Beltsville.....	88,326,744	1,323	84,926,300	1,326	87,176,300	1,330
Frederick.....	2,341,921	34	2,132,900	34	2,132,900	34
Hyattsville.....	439,154	7	541,000	7	541,000	7
Total.....	91,107,819	1,364	87,600,200	1,367	89,850,200	1,371
MASSACHUSETTS, Boston..	13,736,650	10	13,839,700	10	13,839,700	10
MICHIGAN, East Lansing.	4,043,852	53	3,839,900	53	3,839,900	53

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1991		Estimated 1992		Estimated 1993	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
MINNESOTA						
East Grand Forks.....	841,732	8	956,500	9	956,500	9
Morris.....	2,459,644	38	2,477,500	38	2,477,500	38
St. Paul.....	4,279,072	52	4,194,400	52	4,194,400	52
Total.....	7,580,448	98	7,628,400	99	7,628,400	99
MISSISSIPPI						
Mississippi State....	6,451,951	96	6,398,400	97	6,398,400	97
Oxford.....	4,617,511	62	5,109,000	64	5,109,000	64
Poplarville.....	696,700	12	798,700	12	798,700	12
Stoneville.....	12,879,236	180	13,663,300	182	14,113,300	184
Total.....	24,645,398	350	25,969,400	355	26,419,400	357
MISSOURI, Columbia.....	5,463,418	65	4,778,200	65	4,778,200	65
MONTANA						
Bozeman.....	1,672,219	42	1,638,200	42	1,638,200	42
Miles City.....	1,871,525	16	1,855,300	16	1,855,300	16
Sidney.....	752,305	11	681,500	11	681,500	11
Total.....	4,296,049	69	4,175,000	69	4,175,000	69
NEBRASKA						
Clay Center.....	11,144,244	119	12,021,400	121	12,021,400	121
Lincoln.....	4,002,536	44	4,283,400	45	4,283,400	45
Total.....	15,146,780	163	16,304,800	166	16,304,800	166
NEVADA, Reno.....	595,722	9	483,300	9	483,300	9
NEW JERSEY						
Chatsworth.....	459,548	2	511,000	2	511,000	2
NEW MEXICO						
Las Cruces.....	1,518,646	24	1,431,400	24	1,431,400	24
NEW YORK						
Geneva.....	1,353,013	8	1,197,700	8	1,377,700	9
Ithaca.....	3,834,887	42	3,705,600	42	3,975,600	43
Plum Island.....	9,487,428	113	8,960,100	73	8,960,100	73
Total.....	14,675,328	163	13,863,400	123	14,313,400	125
NORTH CAROLINA						
Oxford.....	1,753,296	31	1,741,300	31	1,741,300	31
Raleigh.....	5,419,012	68	5,466,200	69	5,466,200	69
Total.....	7,172,308	99	7,207,500	100	7,207,500	100
NORTH DAKOTA						
Fargo.....	9,273,517	129	9,059,700	130	9,059,700	130
Grand Forks.....	6,991,027	63	7,264,200	64	8,389,200	66
Mandan.....	2,645,994	48	2,768,800	49	2,768,800	49
Total.....	18,910,538	240	19,092,700	243	20,217,700	245

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1991		Estimated 1992		Estimated 1993	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
OHIO						
Columbus.....	745,264	7	760,600	7	760,600	7
Coshocton.....	1,073,507	18	1,056,600	18	1,056,600	18
Delaware.....	466,100	4	328,200	3	328,200	3
Wooster.....	2,224,602	40	2,286,900	40	2,286,900	40
Total.....	4,509,473	69	4,432,300	68	4,432,300	68
OKLAHOMA						
Durant.....	2,137,774	36	2,443,500	37	2,443,500	37
El Reno.....	1,715,782	28	1,651,200	28	1,651,200	28
Lane.....	1,617,890	28	1,709,500	28	1,709,500	28
Stillwater.....	2,119,019	34	2,261,800	35	2,261,800	35
Woodward.....	1,045,421	16	1,251,700	17	1,251,700	17
Total.....	8,635,886	142	9,317,700	145	9,317,700	145
OREGON						
Burns.....	422,779	3	490,500	3	490,500	3
Corvallis.....	4,104,301	72	4,415,400	73	4,415,400	73
Pendleton.....	1,113,005	17	1,425,300	18	1,425,300	18
Total.....	5,640,085	92	6,331,200	94	6,331,200	94
PENNSYLVANIA						
University Park.....	2,793,339	42	2,722,800	42	2,722,800	42
Wyndmoor.....	18,955,251	232	19,292,000	234	20,327,000	236
Total.....	21,748,590	274	22,014,800	276	23,049,800	278
SOUTH CAROLINA						
Charleston.....	2,285,707	41	2,563,300	42	2,563,300	42
Clemson.....	1,848,302	32	1,857,200	32	1,857,200	32
Florence.....	2,183,915	31	1,971,900	31	1,971,900	31
Total.....	6,317,924	104	6,392,400	105	6,392,400	105
SOUTH DAKOTA						
Brookings-Madison....	1,810,114	34	1,651,800	34	1,651,800	34
TENNESSEE						
Jackson.....	161,386	2	154,800	2	154,800	2
Lewisburg.....	135,900	2	144,100	2	144,100	2
Total.....	297,286	4	298,900	4	298,900	4
TEXAS						
Beaumont.....	982,197	14	870,900	14	870,900	14
Brownwood.....	634,466	12	573,900	12	573,900	12
Bushland.....	2,234,550	39	2,213,500	39	2,213,500	39
College Station.....	10,778,857	161	10,472,500	163	10,472,500	163
Houston.....	9,925,869	8	10,166,000	8	10,403,500	8
Kerrville.....	2,665,195	47	2,651,000	47	2,651,000	47
Lubbock.....	3,146,830	53	2,720,100	54	2,720,100	54
Temple.....	3,029,574	49	3,040,600	49	3,040,600	49
Weslaco.....	6,729,377	110	7,148,800	111	7,148,800	111
Total.....	40,126,915	493	39,857,300	497	40,094,800	497

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1991		Estimated 1992		Estimated 1993	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
UTAH, Logan.....	3,865,651	56	3,938,500	56	3,938,500	56
VIRGINIA						
Suffolk	582,731	10	663,900	10	663,900	10
WASHINGTON						
Prosser.....	2,385,720	36	2,195,700	36	2,195,700	36
Pullman.....	6,779,330	97	6,629,100	98	6,809,100	99
Wenatchee.....	1,108,453	22	1,371,600	23	1,371,600	23
Yakima.....	2,539,878	51	2,451,600	52	2,451,600	52
Total.....	12,813,381	206	12,648,000	209	12,828,000	210
WEST VIRGINIA						
Beckley.....	3,112,276	47	3,481,000	48	3,481,000	48
Kearneysville.....	5,616,845	58	4,689,100	59	4,689,100	59
Total.....	8,729,121	105	8,170,100	107	8,170,100	107
WISCONSIN, Madison.....	5,151,277	64	5,139,000	64	5,139,000	64
WYOMING						
Cheyenne.....	985,174	15	1,592,800	17	1,592,800	17
Laramie.....	2,119,847	29	1,992,700	29	1,992,700	29
Total.....	3,105,021	44	3,585,500	46	3,585,500	46
PUERTO RICO						
Mayaguez.....	2,016,657	44	2,227,200	45	2,227,200	45
VIRGIN ISLANDS						
St. Croix.....	275,217	5	282,900	5	282,900	5
OTHER COUNTRIES						
Argentina,						
Buenos Aires.....	534,315	- -	279,400	- -	279,400	- -
France, Behoust.....	1,456,790	2	- -	- -	- -	- -
France, Montpellier..	- -	- -	1,844,900	3	1,844,900	3
Italy, Rome.....	945,854	1	- -	- -	- -	- -
Korea, Seoul.....	185,935	1	180,800	1	180,800	1
Mexico, Tuxtla						
Gutierrez.....	912,616	7	908,900	7	908,900	7
Netherlands,						
Rotterdam.....	358,405	1	336,100	1	336,100	1
Total.....	4,393,915	12	3,550,100	12	3,550,100	12

STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION
(On basis of adjusted appropriation)

Location	Actual 1991		Estimated 1992		Estimated 1993	
	Dollars	Staff-Years	Dollars	Staff-Years	Dollars	Staff-Years
Extramural and Funds Administered from Headquarters....	8,107,306	- -	34,753,700	- -	42,803,200	- -
Contingency Research Fund.....	<u>a/</u>	- -	928,500	- -	928,500	- -
Repair & Maintenance of Facilities.....	13,926,096	- -	14,246,700	- -	14,246,700	- -
Construction of Facilities.....	2,376,062	- -	3,115,700	- -	3,115,700	- -
Unobligated Balance....	2,036,991	- -	- -	- -	- -	- -
Subtotal, Available or Estimate.....	623,728,812	7,911	660,518,000	7,954	678,930,000	8,000
Allotment to Forest Service.....	348,075	- -	361,000	- -	361,000	- -
G-R-H reduction.....	8,113	- -	- -	- -	- -	- -
Pay Costs.....	- -	- -	- -	- -	7,387,000	- -
TOTAL, Appropriation...	624,085,000	7,911	660,879,000	7,954	686,678,000	8,000

a/ Obligations incurred in 1991 under the Contingency fund in the amount of \$429,343 are reflected in the locations above.

AGRICULTURAL RESEARCH SERVICE

Buildings and Facilities:

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, [\$50,564,000] \$27,300,000: Provided, That facilities to house Bonsai collections at the National Arboretum may be constructed with funds accepted under the provisions of Public Law 94-129 (20 U.S.C. 195) and the limitation on construction contained in the Act of August 24, 1912 (40 U.S.C. 68) shall not apply to the construction of such facilities. Provided further, That funds may be received from any State, other political subdivision, organization, or individuals for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

This proposed change would provide authorization for the Agricultural Research Service to receive financial assistance from any State, other political subdivision, organization, or individuals for the purpose of defraying the costs of constructing any research facility.

AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

Appropriation Act, 1992.....	\$50,564,000
Budget Estimate, 1993.....	27,300,000
Decrease in Appropriation.....	<u><u>\$-23,264,000</u></u>

SUMMARY OF INCREASES AND DECREASES

(on basis of appropriation)

<u>Items of Change</u>	<u>1992 Estimated</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Arkansas: Rice Research Center, Stuttgart ..	\$729,000	\$-729,000	- -
California: U.S. Salinity Laboratory, Riverside	5,300,000	-5,300,000	- -
Western Regional Research Center, Albany	- -	+4,600,000	\$4,600,000
Georgia: Poultry Disease Laboratory, Athens	400,000	-400,000	- -
Illinois: National Center for Agricultural Utilization Research, Peoria	1,825,000	-325,000	1,500,000
Iowa: National Animal Disease Center, Ames	- -	+3,900,000	3,900,000
National Swine Research Facility, Ames	1,800,000	-1,800,000	- -
Louisiana: Southern Regional Research Center, New Orleans	1,950,000	-1,950,000	- -
Maryland: Beltsville Agricultural Research Center, Beltsville	16,000,000	-4,700,000	11,300,000
Michigan: Regional Poultry Research Center, East Lansing	250,000	-250,000	- -
Minnesota: Soil and Water Laboratory, Morris	825,000	-825,000	- -
Mississippi: National Center for Natural Products, Oxford	5,175,000	-5,175,000	- -
National Center for Warm Water Aquaculture, Stoneville	1,100,000	-1,100,000	- -
New York: Plum Island Animal Disease Center, Greenport	3,000,000	+3,000,000	6,000,000
Ohio: Demonstration Greenhouse, Lucas County	187,000	-187,000	- -
Oklahoma: South Central Agricultural Research Center, Lane	1,725,000	-1,725,000	- -
Southern Plains Range Research Station, Woodward	173,000	-173,000	- -

<u>Items of Change</u>	<u>1992 Estimated</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Oregon/Washington/Idaho: Northwest Small Fruit Center, Corvallis	1,900,000	-1,900,000	- -
Texas: ARS Bee Laboratory, Weslaco			
Plant Stress and Water	1,700,000	-1,700,000	- -
Conservation Laboratory, Lubbock	1,300,000	-1,300,000	- -
Washington: U.S. Fruit and Vegetable Laboratory, Yakima	5,050,000	-5,050,000	- -
Wisconsin: Cereal Crops Research Unit-- Barley/Malt Laboratory, Madison	175,000	-175,000	- -
TOTAL AVAILABLE	<u><u>\$50,564,000</u></u>	<u><u>\$-23,264,000</u></u>	<u><u>\$27,300,000</u></u>

Project Statement
(on basis of appropriation)

Project	1991 Actual		1992 Estimated		Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Buildings and Facilities...	\$25,280,297	--	\$50,564,000	--	\$-23,264,000	\$27,300,000	--
Unobligated Balance.....	47,607,426	--	--	--	--	--	--
Total Available: or Estimate...	\$72,887,723	--	\$50,564,000	--	\$-23,264,000	\$27,300,000	--

Buildings and Facilities

(1) A net decrease of \$23,264,000 for Buildings and Facilities, consisting of:

- (a) An increase of \$6,100,000 for the modernization of the ARS Regional Research Centers at Albany, California (\$4,600,000) and Peoria, Illinois (\$1,500,000).

Need for Change. Outmoded facilities are hampering the ability of ARS scientists to conduct advanced research. The Agency has also experienced problems in attracting the best scientists when they are presented with old, deteriorated laboratory facilities. Existing facilities contain numerous building and environmental code deficiencies. Specifically, we recommend that additional resources be targeted toward the Agency's ongoing efforts to renovate and modernize two of four major National Research Centers--at Albany, California, and Peoria, Illinois. An investment of resources is essential for these centers to regain the scientific capacity necessary to deliver viable and timely research discoveries that contribute to development of new markets at home and abroad.

Because these centers are aging, all major building systems--heating, ventilation, air conditioning, electrical, roofs, and infrastructures (paving, steam and water lines, and waste treatment disposal systems) have either reached or passed their useful life expectancy. Other prevalent facility deficiencies involving safety and health needs, such as asbestos removal and building code upgrade requirements, need to be corrected.

Nature of Change: Additional appropriations are required in FY 1993 to allow ARS to proceed with the phased modernization efforts at the Western Regional Research Center at Albany, California, and at the National Center for Agricultural Utilization Research at Peoria, Illinois. Phasing construction of major renovations is necessary in major laboratories while individual laboratories or wings of laboratories are being renovated since the agency has virtually no swing space in which to house displaced scientists. The major needs for these centers in FY 1993 are as follows:

WRRC Chemical Wing (construction of phase 4 of modernization program)--\$4.6 million.

Construction will involve the renovation of laboratories, upgrading of utilities, new HVAC system, partial replacement of casework, upgrading of electrical system, fire safety improvements to meet current codes, and asbestos abatement.

NCAUR Chemical Wing (planning and design of modernization program)--\$1.5 million.

The modernization of the chemical wing will involve the renovation of laboratories, new HVAC system, new casework, electrical upgrade, fire safety improvements to meet current codes, and asbestos abatement.

- (b) An increase of \$3,900,000 for the construction of an animal necropsy room and pathological incinerator, National Animal Disease Center NADC, Ames, Iowa.

Need for Change. The National Animal Disease Center (NADC) is the principal mainland laboratory conducting research on domestic large animal livestock diseases in the United States. Many of disease agents evaluated in the research program are pathogenic for both domestic animals and humans. The Center was built 30 years ago. Recently, two independent study groups evaluated the status of the facilities and operational conditions at the Center and concluded that animal rooms used for necropsies and small pathological incinerators were inadequate to sustain classical and biotechnological research with large animals afflicted with infectious agents. It was determined that the current facilities do not meet State, local, and Federal codes and guidelines for research with hazardous and recombinant agents. The current research program is aimed at evaluating domestic animal diseases that cause severe economic loss to the livestock industry.

Nature of Change. \$300,000 was appropriated in FY 1991 for the planning and design of the animal necropsy room. The design, which is scheduled for completion by December 1992 will provide for the construction of an integrated necropsy room with an incinerator. The design of the high temperature pathological incinerator/necropsy room and building will meet all applicable codes and ARS standards. The necropsy room will increase the space at NADC by about 9,000 square feet. ARS requests \$3.9 million to fund the construction of this facility in FY 1993.

- (c) An increase of \$11,300,000 for modernization of facilities at the Beltsville Agricultural Research Center, BARC, Beltsville, Maryland.

Need for Change. The Beltsville Agricultural Research Center (BARC) was established in 1910. Current land resources total 7,000 acres and accommodate more than 800 buildings and structures in support of the full spectrum of ARS research programs, including natural resources and environmental sciences, plant and animal productivity, product quality, and human nutrition studies. The ARS staff at Beltsville totals about 1,500, including 440 scientists.

BARC is the largest research center in ARS and is the largest agricultural research center in the world in terms of program scope and concentration of scientists. BARC has long enjoyed a worldwide image of preeminence in the agricultural sciences because of its long history of research quality, contributions to agriculture, and prominent scientists. It is the headquarters for ARS' national program leadership. In addition, 18 other Federal and State agencies, such as FDA, EPA, FGIS, and FSIS, have offices or laboratories at BARC or facilities next to the Center.

Most of the major ARS facilities and utility support systems at BARC were built in the 1930's and 1940's. Deterioration and obsolescence of these 50-year old facilities are hampering both the scientific research and the image of BARC as the preeminent agricultural research center of the U.S. Department of Agriculture.

An architectural engineering consultant has completed a comprehensive study on BARC and produced an overall master plan with cost estimates for the remaining facility modernization work. Execution of this plan, which is phased over an 11-year period, will cost an estimated \$205 million.

ARS is currently implementing the consultant's recommendations through a phased funding process reflected in the fiscal years 1991 and 1992 planning and construction funds for BARC modernization. The consultant's study specified the necessity for BARC modernization to incorporate a mix of both construction of new structures and renovation of existing facilities. Over 200 outmoded structures will eventually be demolished.

The FY 1992 appropriation provided an increase of \$16 million for BARC for the construction of a new Plant Sciences building, Phase I of the renovation of Range 2 greenhouses, infrastructure repairs and replacement, and the demolition of unneeded buildings.

Nature of Change. Funds are needed in 1993 to continue with the vigorous implementation of the BARC modernization plan. ARS proposes \$11.3 million in FY 1993 for: upgrading of the West wastewater treatment plant, Range 2 greenhouse modernization, upgrade of the East water distribution system, new controlled environmental facility for plant growth chambers and for miscellaneous projects. More specific description of each are as follows:

BARC-West Wastewater Treatment Plant. The current wastewater treatment facilities are in need of major repair and upgrade to meet existing regulatory requirements. Specifically for the West plant, the construction will consist of replacing all existing treatment units and providing new extended aeration units, chlorination/dechlorination facilities, sludge dewatering and disposal systems, and a means for direct discharge to stream. The capacity of the renovated facility will be 200,000 gallons per day. Construction costs are projected at \$4,430,000.

Phases 2 and 3 of the Range 2 Greenhouse. Range 2 of the greenhouse complex at Beltsville is over 45 years old. It is used to support a wide range of research programs, including high-priority research on new florist and nursery crops to make American producers more competitive with foreign producers; development of improved pest-resistant, high-quality germplasm and varieties of major vegetable and fruit crops; solutions to problems caused by plant pathogens and diseases; and development of more effective biocontrol methods for plant diseases. Range 2 is among the existing greenhouses that need to be systematically modernized to reduce operating costs and provide proper environmental control that will do more than merely extend the growing season. To minimize disruption of ongoing programs, the plan is to do the construction in phases. Phase I of construction is scheduled for award in the second quarter FY 1992. The second and third phases of construction are estimated to cost \$5.2 million.

BARC-East Water Distribution System. The existing water distribution system at BARC-East is in need of major renovation/replacement of the distribution lines and wells. The estimated study and design cost is \$600,000.

Controlled Environmental Facility. This proposed new facility would locate environmental chambers from throughout BARC to a central location strategically located between the Range 2 greenhouse and the new Plant Science Institute approved for construction in FY-92. The design cost is estimated at \$320,000.

Miscellaneous Projects. The design and construction of these small projects are estimated at \$750,000 and include:

- Demolition of facilities
- Parking lot and road repairs
- Fence repairs
- Fertilizer storage
- Minor facility renovations to provide swing space for personnel dislocated by other Modernization projects.

(d) An increase of \$6,000,000 for the modernization of the Plum Island Animal Disease Center, PIADC, Greenport, New York.

Need for Change. The Plum Island Animal Disease Center (PIADC) was established by an Act of Congress in 1954. The former Fort Terry Facility complex, which was active until the end of World War II, was transferred from the Department of Defense to USDA. It is located on a federally-owned 840-acre island located about 2 miles off the eastern tip of Long Island, New York.

Plum Island is not only a unique national resource, but also a hemispheric resource conducting state-of-the-art research and diagnostic work on foreign animal diseases. Foreign animal diseases are an ongoing threat to U.S. livestock. The United States must have a special center for foreign animal disease diagnosis and research. Plum Island is the only site in the United States authorized by Congress to carry out research on foreign animal diseases. There are no alternative Federal or non-Federal mainland sites available with adequate biocontainment facilities to conduct this research.

The Animal and Plant Health Inspection Service (APHIS) foreign animal disease control program is also located at PIADC. APHIS' control program relies very heavily on slaughter of affected and in-contact animals, with burial or burning of carcasses, and chemical spraying of insect vectors. Increasing public concern about animal welfare, ground water pollution, air pollution, and chemical hazards of pesticides makes development of alternative control strategies a very high priority, including better vaccines with quicker response, antiviral drugs for prophylaxis on in-contact animals, and more sensitive agent-detection methods. National competitiveness and prosperity of U.S. agriculture require the United States to encourage novel control strategies such as development of transgenic cattle, sheep, and swine resistant to major foreign animal diseases (such as foot-and-mouth disease, African swine fever, trypanosomiasis) that could be exported by U.S. breeders to countries where these diseases are major restraints on production. Major renovation of the center is needed to ensure high-quality research and biosafety operations.

In 1989, ARS and APHIS began to develop an overall long-range plan for the repair and maintenance of the 23 remaining buildings and supporting infrastructure after consolidation. An architectural engineering firm has completed a detailed study of facility deficiencies that total an estimated \$90 million. The consultant has recommended a 6-year phased plan (containing appropriate escalation costs from FY 1992 to FY 1997) for design and construction to correct the facility's condition and code deficiencies. An estimated additional 6% for escalation costs is added to the total project costs for each year. Based on the projected usage and occupancy of the consolidated facility, ARS and APHIS will be sharing costs on a 60%/40% basis.

Nature of Change. ARS proposes and increase of \$6 million for PIADC in FY 1993 to provide for the continuation of the phased plan to modernize the Center, concurrent with a \$3.5 million request in the APHIS budget.

Major deficiencies to be corrected include civil, mechanical, electrical, architectural, and structural engineering categories of work. The consultant has recommended the following infrastructure and physical plant repairs and improvements be implemented in FY 1993:

- Fire safety (repair fire alarm systems, install sprinkler systems)
- Building repairs (structural deficiencies, roof and door replacements)
- Environmental problems (landfills, storage tanks, containment dikes)
- Physical repairs (replace or repair chillers, boilers, transformers, emergency generators, steam distribution systems)
- Asbestos removal (remove asbestos insulation from pipes and boilers and reinsulate)
- Electrical repairs (replace or repair motor control centers, electrical code deficiencies)
- Dock and harbor repairs (repair/replacement of bulkheads, docks, ramps, lighting, fencing to control beach erosion, and parking lot)

Other projects required for overall modernization of the Center include:

- Boiler and steamline upgrade
- Electrical upgrade
- Incinerator upgrade
- Fencing and road repairs
- Fuel oil distribution systems
- Septic tanks
- Building mechanical, electrical, asbestos removal, and life safety upgrades
- Cooling tower and pumps

- (e) A decrease of \$50,564,000 to delete funds contained in the FY 1992 Appropriation for planning and construction projects.

Need for change. Funds for projects contained in the FY 1992 Appropriations Act are available until expended and are not required in the FY 1993 Appropriation Act.

Agricultural Research Service
Status of Construction Projects as of December 1991

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Status of research facilities authorized or funded in prior years and reported as uncompleted in the 1992 Explanatory Notes, is as follows:

NOTE: Design criteria, provided by ARS, specifies the program requirements for the facility and forms the basis for negotiation of architect-engineer contracts. Diagrammatic drawings or concept drawings provide the basis for the first review of the architect's design. Tentative drawings or architect's design are provided by the architect for firming up cost estimates and basis for developing the completed, and final working drawings.

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>Arkansas, Stuttgart Rice Research Center</u>	1991 Planning	\$222,997	Lease agreement will be negotiated and should be signed by the Second Quarter of FY 1992. Design contract will be awarded by the Second Quarter of FY 1992 if the lease agreement is reached.
	1992 Planning	729,000	
	Total	<u>951,997</u>	
<u>California, Albany Greenhouse for the Plant Gene Expression Center</u>	1989 Construction	700,000	Construction will be completed by the Second Quarter of FY 1992. Original construction contract was terminated for default resulting in delays in completion.
<u>California, Riverside U.S. Salinity Laboratory</u>	1987 Plans	1,000,000	Design was completed. Contract for the construction of the main laboratory building and the greenhouse/ greenhouse complex will be awarded by the Second Quarter of FY 1992 for completion by the Second Quarter of FY 1994.
	1989 Construction	900,000	
	1990 Construction	2,000,000	
	1991 Construction	5,049,934	
	1992 Construction	5,300,000	
	Total	<u>14,249,934</u>	
<u>Colorado, Ft. Collins National Seed Storage Laboratory</u>	1988 Plans	1,000,000	Construction contract awarded the Third Quarter of FY 1991 and will be completed by the Second Quarter of FY 1993. No additional construction funding is required.
	1989 Construction	2,750,000	
	1990 Construction	5,500,000	
	1991 Construction	2,999,961	
	Total	<u>12,249,961</u>	

Status of Construction Projects as of December 1991 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
District of Columbia U.S. National Arboretum, Brickyard Upgrade and New York Avenue Entrance Upgrade	1989 Reprogrammed for Design and Construction	2,000,000	Design was completed. A \$1 million contract for construction of New York Avenue entrance and parking lot was awarded in the Fourth Quarter of FY 1990 and will be completed the First Quarter of FY 1992. The Brickyard study of hazardous waste (asbestos removal and underground fuel storage tank) to determine costs associated with cleanup, was completed the Fourth Quarter of FY 1991. It is anticipated that the project scope, budget, and schedule for design and construction of the cleanup on a phased basis will be developed by the Second Quarter of FY 1992.
Georgia, Athens Poultry Disease Laboratory	1992 Planning	400,000	Design contract will be awarded by the Fourth Quarter of FY 1992.
Idaho, Aberdeen National Small Grains Germplasm Repository	1991 Design and Construction	199,997	Design was awarded in the Third Quarter of FY 1991. Construction is expected to be awarded in the First Quarter of FY 1992.
Illinois, Peoria National Center for Agricultural Utilization Research	1992 Planning	1,825,000	Design for the modernization of the Pilot Plant will be awarded by the Third Quarter of FY 1992.
Iowa, Ames National Soil Tilth Center	1984 Plans 1985 Construction Total	800,000 11,100,000 11,900,000	Construction of the Center is complete. A contract to install a rhizotron within the existing facility was awarded during the Fourth Quarter of FY 1990. One unit has been installed, tested, and accepted. Modification exercising option to purchase at least two more units was awarded the Fourth Quarter of FY 1991, and will be completed by the Fourth Quarter of FY 1992.
National Animal Disease Center, Necropsy	1991 Planning	299,996	A design contract was awarded in the First Quarter of FY 1992 for completion by the First Quarter of FY 1993.

Status of Construction Projects as of December 1991 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
National Swine Research Center	1992 Plans and Construction	1,800,000	Project scope, budget, and schedule will be developed by the Second Quarter of FY 1992.
Louisiana, New Orleans Southern Regional Research Center	1992 Construction	1,950,000	Design was completed. Facility modernization is being undertaken in phases due to the need to continue research programs during the renovation period. Initial phase of construction is currently underway and is scheduled for completion in the First Quarter of FY 1993. The \$1,950,000 appropriated for Phase II construction in FY 1992 was insufficient for the construction cost of \$2.5 million. Alternative means of financing Phase II are being considered.
Maryland, Beltsville BARC Modernization of Facilities	1988 Plans and Construction	5,750,000	Construction Projects Completed:
	1989 "	6,100,000	Cleaning and relining of waterlines (FY 1988 Funds).
	1990 "	9,860,000	Building 203 (FY 1989 Funds).
	1991 "	15,999,792	Pesticide handling facilities (FY 1989 Funds).
	1992 "	16,000,000	Building 204 (FY 1989 Funds).
	Total	53,709,792	Repairs and maintenance including fence repairs, annual painting and roof repairs, parking lots, and demolition of old unused facilities (prior and current year funds).
			Construction Projects Scheduled for Completion:
			Repair and replacement of steamlines (FY 1990 Funds) First Quarter, FY 1992.
			Building 007 (FY 1988 Funds), Building 003 (FY 1991 Funds) Second Quarter, FY 1992.
			Building 005-Conference room (FY 1991 Funds)

Status of Construction Projects as of December 1991 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
			Third Quarter, FY 1992. Repair of Powder Mill Road (FY 1990 Funds) and BARC-East Waste Water Treatment Facility, Phase I (FY 1991 Funds) Fourth Quarter, FY 1992. Electrical Distribution Systems (FY 1990 Funds) First Quarter, FY 1993.
			<u>Planning and Design Scheduled for Completion:</u> <u>Range 2-Greenhouse (FY 1991 Funds) First Quarter FY 1992.</u> Free Stall Barn (FY 1991 Funds), and Building 426 (FY 1991 Funds) Second Quarter, FY 1992. Building 001 (FY 1991 Funds) and Plant Science Building (FY 1991 Funds) Third Quarter, FY 1992.
			<u>Construction Projects Scheduled for Award:</u> <u>Range 2-Greenhouse, Phase I (FY 1992 Funds) Second Quarter, FY 1992.</u> Building 007 (FY 1991 funds) Second Quarter, FY 1992. BARC-East Waste Water Treatment Facility, Phase II (FY 1991 Funds) Third Quarter, FY 1992. Freestall Barn (FY 1991 funds) Third Quarter, FY 1992. Plant Science Building (FY 1992 Funds) Fourth Quarter, FY 1992.
			<u>Planning and Design Scheduled for Award:</u> <u>Waste Water Treatment Plant (FY 1992 funds) Fourth Quarter, 1992.</u> Buildings 200 and 201 (FY 1991 Funds) Fourth Quarter, FY 1992.
Michigan, East Lansing Regional Poultry Research Center	1992 Plans	250,000	Design contract will be awarded by the Fourth Quarter, 1992.

Status of Construction Projects as of December 1991 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
<u>Minnesota, Morris Soil and Water</u>	1991 Plans	299,996	Design was awarded in the Fourth Quarter of FY 1991 for completion by the First Quarter of FY 1993.
	1992 Construction	<u>825,000</u>	
<u>Mississippi, Oxford National Center for Natural Products</u>	1988 Feasibility and Planning	50,000 ^{a/}	General contractor was selected in the First Quarter of FY 1992. Actual groundbreaking will take place during the Second Quarter of FY 1992.
	1989 Planning	400,000 ^{a/}	
	1990 Planning and Construction	3,875,000 ^{b/}	
	1991 Construction	5,174,933 ^{a/}	
	1992 Construction	5,175,000 ^{a/}	
	Total	<u>14,674,933</u>	
<u>Mississippi, Stoneville National Center for Warm Water Aquaculture</u>	1991 Plans and Construction	1,199,985	Discussions are currently underway with Mississippi State University to determine suitable arrangements for construction of this facility.
	1992 Plans and Construction	1,100,000	
	Total	<u>2,299,985</u>	
<u>New York, Plum Island Plum Island Animal Disease Center Consolidation of Facilities</u>	1981 Building 257 Construction		Design to consolidate all laboratory facilities including the demolition of the vaccine research laboratory structure was completed the Third Quarter of FY 1991. Construction contract will be negotiated and awarded by the Third Quarter of FY 1992.
	Redirection	1,200,000	
	1989 Construction		
	Default Settlement	7,805,398	
	1990 Default		
	Interest	3,006,003	
	1991 APHIS share of Construction	5,000,000	
	1992 ARS		
	Construction	1,000,000	
	Total	<u>18,011,401</u>	
<u>Plum Island Animal Disease Center</u>	1992 Construction	2,000,000	Building 101 Chiller Replacement design was completed in the First Quarter of FY 1992.

Status of Construction Projects as of December 1991 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
Modernization of Facilities			
			Construction award is anticipated in the Second Quarter of FY 1992.
			Asbestos Abatement design was completed in the First Quarter of FY 1992. Construction award is anticipated in the Second Quarter of FY 1992.
			Bulkhead/Parking design will be completed by the Second Quarter of FY 1992. Construction award for the First phase of construction is anticipated in the Third Quarter of FY 1992.
North Dakota, Fargo Plant Science Greenhouse Complex, North Dakota State University	1991 Plans and Construction	424,995	A contract for design was awarded in the Fourth Quarter of FY 1991 for completion by the Third Quarter of FY 1992. Construction contract will be awarded in the Fourth Quarter of FY 1992.
Ohio Demonstration Greenhouse	1992 Plans and Construction	187,000 ^{c/}	Construction Grant for refitting the greenhouse will be awarded in the Second Quarter of FY 1992.
Oklahoma, Lane South Central Agricultural Research Center Phase III Construction	1989 Plans 1990 Plans 1991 Construction 1992 Construction	140,000 150,000 1,449,981 1,725,000 <u>3,464,981</u>	A contract for the design of Phase III was awarded in the Second Quarter of FY 1990. Due to budget constraints, the design contract was modified in the Second Quarter of FY 1991 to allow for construction phasing. The design of Phase IIIA was completed in the Second Quarter of FY 1991 and a construction contract was awarded in the Third Quarter of FY 1991. Construction for Phase IIIA is scheduled to be completed the First Quarter of FY 1993. Construction award for Phase IIIB is anticipated the Third Quarter of FY 1992.

Status of Construction Projects as of December 1991 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
Oklahoma, Woodward Greenhouse for the Southern Plains Range Research Station	1992 Plans and Construction	173,000	Project scope, budget and schedule will be developed by the Second Quarter of FY 1992.
Oregon, Pendleton Greenhouse for the Columbia Basin Agri- cultural Research Center	1991 Construction	167,998 ^{a/}	Construction is scheduled for completion in the First Quarter of FY 1992.
Oregon, Corvallis Northwest Small Fruit Center	1990 Feasibility Study 1991 Plans 1992 Construction Total	50,000 174,998 1,900,000 2,124,998	Design will be awarded in the Second Quarter of FY 1992, if a lease agreement is reached with the University.
South Carolina, Charleston U.S. Vegetable Laboratory	1988 Feasibility 1990 Plans & Construction Total	50,000 1,135,000 1,185,000	A contract for an environmental assessment awarded in the First Quarter of FY 1991 was completed in the Third Quarter of FY 1991. A contract for design of Phase I of the facility was awarded in the Fourth Quarter of FY 1991 for completion by the Fourth Quarter of FY 1992.
Texas, Lubbock Plant Stress and Water Conservation Laboratory	1978 Feasibility Study 1979 Plans 1984 Plans 1990 Construction 1991 Plans 1992 Construction Total	100,000 800,000 500,000 500,000 599,992 1,300,000 3,799,992	Lease agreement for the site was executed in the Third Quarter of FY 1990. A contract for design of the Phase I Greenhouse/Greenhouse awarded in the Fourth Quarter of FY 1990 was completed in the Fourth Quarter of FY 1991. Construction will start in the Second Quarter of FY 1992 for completion by the First Quarter of FY 1993. A contract for Phase II main Laboratory/Office Building design will be awarded in the Second Quarter of FY 1992 for completion by the Second Quarter of FY 1993. Design will be similar to National Soil Tilth Laboratory constructed in Ames, Iowa.

Status of Construction Projects as of December 1991 (con't.)

<u>Location and Purpose</u>	<u>Year</u>	<u>Amount of Funds Provided</u>	<u>Description</u>
Texas, Weslaco ARS Bee Laboratory	1990 Plans	340,000	A contract for design was awarded by the Fourth Quarter of FY 1990 for completion by the Second Quarter of FY 1992. A construction contract will be awarded in the Third Quarter of FY 1992.
	1991 Construction	1,699,978	
	1992 Construction	1,700,000	
	Total	3,739,978	
Washington, Yakima <u>U.S. Fruit and</u> Vegetable Laboratory	1988 Plans	1,000,000	A contract for an environmental assessment was completed in the Fourth Quarter of FY 1990. A contract for design was awarded in the Third Quarter of FY 1991 for completion by the Third Quarter of FY 1992. Construction award is anticipated in the First Quarter of FY 1993.
	1989 Construction	900,000	
	1990 Construction	1,000,000	
	1991 Construction	5,049,934	
	1992 Construction	5,050,000	
	Total	12,999,934	
Wisconsin, Madison <u>Greenhouse for the Cereal</u> Crops Research Unit, Barley and Malt Laboratory	1992 Construction	175,000	Project scope, budget, and schedule will be developed by the Second Quarter of FY 1992.

Footnotes:

- a/ Appropriated to ARS and transferred to CSRS.
- b/ Appropriated to CSRS.
- c/ Grant Award.

AGRICULTURAL RESEARCH SERVICE

Passenger Motor Vehicles

The passenger motor vehicles of Agricultural Research Service (ARS) are used almost exclusively by professional research investigators and technical personnel. In the course of their daily work these personnel may need to travel to individual farms, ranches, commercial firms, State agricultural experiment stations, etc. In this type of work a high degree of mobility is required.

It is the policy of ARS to pool the use of motor vehicles for different activities in order to keep the number of vehicles to a minimum and reduce overall costs of maintenance. Monthly vehicle operation reports are required and periodic surveys are made to determine the extent to which vehicles are being used and their condition.

Replacement of passenger motor vehicles.

It is proposed to replace 46 of 461 vehicles currently in operation. These vehicles are located at field stations and are used in connection with research studies and technical assistance. Vehicle replacement is based on funding priority, program management, mileage, and age eligibility.

Age and Mileage Data for passenger-carrying vehicles on hand as of September 30, 1991.

<u>Age-Year Model</u>	<u>Number of Vehicles*</u>	<u>Percent of Total</u>	<u>Lifetime Mileage (thousands)</u>	<u>Number of Vehicles</u>	<u>Percent of Total</u>
1986-or older	356	77	100 and above	16	3
1987	23	5	80-100	50	11
1988	19	5	60-80	90	19
1989	23	5	40-60	126	27
1990	25	5	20-40	98	22
1991	<u>15</u>	<u>3</u>	Under 20	<u>81</u>	<u>18</u>
Total	<u>461</u>	<u>100</u>		<u>461</u>	<u>100</u>

* Includes six vehicles used in foreign countries and six buses.

Aircraft

The Agency currently maintains a fleet of seven aircraft, located at College Station, Texas, and Weslaco, Texas. These specially modified and equipped research aircraft are used in pest control methods, application of agricultural materials, radar tracking of airborne insect migration, infrared and color photography, and evaluating effects of weather on agriculture.

COOPERATIVE STATE RESEARCH SERVICE

Purpose Statement

Cooperative State Research Service is the U.S. Department of Agriculture's principal entree to the university system of the United States for the purpose of conducting agricultural research and education programs as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a-361i); the Cooperative Forestry Research Act of 1962, as amended (16 U.S.C. 582a-7); Public Law 89-106, Section (2), as amended (7 U.S.C. 450i); and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.). Through these authorities, the U.S. Department of Agriculture participates with State and other sources of funding to encourage and assist the State institutions in the conduct of agricultural research and education through the State Agricultural Experiment Stations of the 50 States and the territories; by approved Schools of Forestry; the 1890 Land-Grant Institutions and Tuskegee University; Colleges of Veterinary Medicine; and other eligible institutions.

Cooperative State Research Service participates in a nationwide system of agricultural research and education program planning and coordination among the State institutions, U.S. Department of Agriculture and the agricultural industry of America. Program coordination and planning are carried out by a Cooperative State Research Service staff located entirely in the Washington, D.C. area. This headquarters unit serves more than 12,000 scientists in the university system of the United States. As of September 30, 1991, there were 191 full-time employees and 18 other than full-time employees.

COOPERATIVE STATE RESEARCH SERVICE

Available Funds and Staff-Years

1991 Actual and Estimated, 1992 and 1993

Item	1991		1992		1993	
	Actual		Estimated		Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Direct Appropriations:						
Cooperative State Research Service ...	391,339,000	179	433,561,000	195	418,873,000	211
Buildings and Facilities	62,867,000	10	75,270,000	10	- -	- -
Total, Direct Appropriations	454,206,000	189	508,831,000	205	418,873,000	211
Obligations under other USDA						
appropriations:						
Agricultural Research Service:						
Evaluation Studies	143,500	- -	145,000	- -	145,000	- -
Plant Productivity Symposium.....	3,000	- -	- -	- -	- -	- -
IR-4 Activities.....	5,000	- -	- -	- -	- -	- -
Water Quality Initiative.....	43,000	- -	- -	- -	- -	- -
Lesquerella Meal Study.....	7,000	- -	- -	- -	- -	- -
Office of Small Scale Agriculture....	84,415	1	63,836	1	- -	- -
OECD Large-Scale Field Testing.....	3,726	- -	- -	- -	- -	- -
Animal and Plant Health Inspection						
Service:						
Biotechnology Report.....	3,000	- -	- -	- -	- -	- -
Leafy Spurge Research	98,600	- -	98,600	- -	93,600	- -
Sweet Potato Whitefly Control.....	80,000	- -	80,000	- -	80,000	- -
Colorado Potato Beetle Control.....	9,000	- -	9,000	- -	9,000	- -
Euonymus Scale Control.....	29,808	- -	29,808	- -	29,808	- -
US-EC Biotechnology Workshop.....	- -	- -	5,000	- -	- -	- -
Economic Research Service:						
Intern. Agribusiness Conference.....	5,000	- -	- -	- -	- -	- -
Extension Service:						
Green Gold Video Documentary.....	5,000	- -	- -	- -	- -	- -
Rural Development Centers.....	24,000	- -	- -	- -	- -	- -
Special Programs.....	13,522	- -	- -	- -	- -	- -
Food Safety and Inspection Service:						
Symposium for Public Voice.....	15,660	- -	10,000	- -	10,000	- -
Veterinary Products Info. System ...	40,000	- -	- -	- -	- -	- -
National Agricultural Library:						
Information Services	2,588	- -	2,700	- -	3,000	- -
Office of International Cooperation						
and Development:						
Intern. Agribusiness Conference.....	2,000	- -	- -	- -	- -	- -
Special Constraints Program.....	47,941	- -	- -	- -	- -	- -
Dairy Program Development.....	3,364	- -	- -	- -	- -	- -
Various agencies sharing cost of						
USDA Small Business Innovation						
Research Program (SBIR)	350,437	- -	544,863	- -	564,841	- -
Various research agencies sharing						
cost of Current Research Information:						
System (CRIS)	735,700	9	761,200	9	761,200	9

	: 1991	: 1992	: 1993
	: Actual	: Estimated	: Estimated
Item	: Amount	:Staff: :Years:	:Staff: :Years:
	: Amount	:Years:	: Amount
Various research agencies sharing cost of BIOTECHNICA Exhibit.....	--	--	4,470
Miscellaneous Reimbursements	--	--	20,098
			34,775
Total, Other USDA Appropriations...	1,750,261	10	1,769,575
		10	1,731,224
			9
Total Agriculture Appropriations...	455,956,261	199	510,600,575
		215	420,604,224
			220
Other Federal Funds:			
Army Corps of Engineers:			
Computerized Environmental Resources:	200,000	--	120,000
Regional Recreation Demand Models...	--	--	100,000
Resource Economics.....	150,000	--	150,000
Waterway Network Research.....	60,000	--	60,000
Forest Service:			
Atmospheric deposition	108,126	--	111,145
Forestry research	20,000	--	6,090
International Chestnut Symposium....	--	--	8,100
Department of Commerce, NOAA:			
Atmospheric deposition.....	74,284	--	80,002
Department of Defense:			
Biodegradable Plastics Research.....	1,792,483	--	2,000,000
Department of Energy:			
CIRRPC activities.....	2,000	--	2,000
Biofuels Feedstock Dev. Program.....	1,200	--	--
Department of Interior:			
Bureau of Land Management,			
Atmospheric deposition	87,224	--	88,328
Geological Survey, Atmospheric			
deposition	538,816	--	492,682
National Park Service, Atmospheric			
deposition	99,665	--	102,064
Environmental Protection Agency:			
Atmospheric deposition	38,440	--	38,637
Sustainable agriculture	1,000,000	--	1,000,000
Global Climate Change.....	--	--	500,000
US-EC Biotechnology Workshop.....	--	--	10,000
Food and Drug Administration:			
Veterinary Products Info. System ...	54,000	--	54,000
US-EC Biotechnology Workshop.....	--	--	10,000
National Institutes of Health:			
Environmental Mgt. of Lab Animals....	21,600	--	--
Taxol Cancer Research.....	250,000	--	250,000
Office of Naval Research:			
US-EC Biotechnology Workshop.....	--	--	10,000
Tennessee Valley Authority,			
Atmospheric deposition	12,480	--	17,279
Miscellaneous Reimbursements.....	--	--	20,098
			34,776
Total, Other Federal Funds.....	4,510,318	--	5,230,425
		--	5,268,776
			--
Total, Cooperative State Research			
Service.....	460,466,579	199	515,881,000
		215	425,873,000
			220

	1991 Actual	1992 Estimated	1993 Estimated
Full-Time Equivalent Staff-Years:			
Ceiling.....	199	215	220
Non-ceiling.....	1	3	3
	<u> </u>	<u> </u>	<u> </u>
Total.....	200	218	223
	<u> </u>	<u> </u>	<u> </u>

COOPERATIVE STATE RESEARCH SERVICE

Permanent Positions by Grade and Staff-Year Summary

1991 and Estimated 1992 and 1993

	1991	1992	1993
Grade	Headquarters	Headquarters	Headquarters
ES-6	1	1	1
ES-5	2	2	2
ES-4	2	2	2
Senior Level	1	3	3
GS/GM-15	32	36	36
GS/GM-14	18	23	24
GS/GM-13	14	15	16
GS-12	16	17	17
GS-11	8	9	10
GS-10	2	2	2
GS-9	19	22	23
GS-8	6	6	6
GS-7	20	25	25
GS-6	26	27	28
GS-5	15	18	18
GS-4	6	10	10
GS-3	3	3	3
GS-2	-	-	-
Other Graded Positions	--	--	--
Ungraded Positions:	--	--	--
Total Permanent Positions	218	226	231
Unfilled Positions: end-of-year	-27	-5	-5
Total, Permanent Employment, end-of-year	191	221	226
Staff-Years:			
Ceiling	199	215	220
Non-Ceiling	1	3	3
Total	200	218	223

COOPERATIVE STATE RESEARCH SERVICE

CLASSIFICATION BY OBJECTS

1991 and Estimated 1992 and 1993

	1991	1992	1993
Personnel Compensation:			
Headquarters	\$7,813,056	\$8,779,000	\$9,295,000
Field	- -	- -	- -
11 Total Personnel Compensation.....	7,813,056	8,779,000	9,295,000
12 Personnel Benefits	1,323,217	1,493,000	1,584,000
13 Benefits for former personnel	7,853	8,000	8,000
Total Pers. Comp. & Benefits .	9,144,126	10,280,000	10,887,000
Other Objects:			
21 Travel	1,341,647	1,538,000	1,739,000
22 Transportation of things	29,007	32,000	34,000
23.3 Communications, utilities & miscellaneous charges	549,153	580,000	605,000
24 Printing and reproduction.	223,836	238,000	248,000
25 Other services	2,586,403	5,247,302	1,792,199
26 Supplies and materials ...	337,499	368,000	387,000
31 Equipment	342,336	437,000	478,000
41 Grants, subsidies and contributions	438,382,550	495,341,161	402,702,801
Total other objects.....	443,792,431	503,781,463	407,986,000
Total direct obligations	452,936,557	514,061,463	418,873,000
Position Data:			
Average Salary, ES positions	\$103,700	\$107,330	\$110,764
Average Salary, SL positions	\$82,697	\$92,633	\$96,060
Average Salary, GM/GS positions	\$39,457	\$39,895	\$41,285
Average Grade, GM/GS positions	9.93	9.89	9.90

COOPERATIVE STATE RESEARCH SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Cooperative State Research Service:

- For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including \$168,785,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended, including administration by the United States Department of Agriculture, penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); [~~\$18,533,000~~] \$15,754,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582-a7), as amended, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); [~~\$27,400,000~~] \$28,414,000 for payments to the 1890 land-grant colleges, including Tuskegee University, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges,
- 1 including Tuskegee University; [~~\$73,979,000~~] \$28,918,000 for [contracts and] special grants for agricultural research under section 2(c) of the Act of August 4, 1965, as amended (7 U.S.C. 450i[])(c)), including
 - 2 administrative expenses; [\$97,500,000, of which \$25,000,000 shall not be available for obligation until September 20, 1992,] \$150,000,000 for competitive research grants under section 2(b) of the Act of August 4, 1965, as amended (7 U.S.C. 450i(b)), including administrative expenses;
 - 3 [~~\$5,551,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; \$1,168,000 for supplemental and alternative crops and products as authorized by the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d); \$400,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; \$475,000 for rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; \$3,500,000~~] \$4,000,000 for higher education graduate fellowships grants under section 1417(b)(6) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(6)), including administrative expenses; [~~\$1,500,000~~] \$2,000,000 for higher education challenge grants under section 1417(b)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(1)), including administrative expenses;
 - 4 [~~\$4,000,000 for grants as authorized by section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and other Acts; \$6,725,000~~] \$4,450,000 for sustainable agriculture research and
 - 5 education, as authorized by section 1621 of [Public Law 101-624] the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811), including
 - 6 administrative expenses; [\$400,000 for State agricultural weather information systems pursuant to section 1640 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854), and section 1472 of the Food and Agriculture Act of 1977 (7 U.S.C. 3318);] and [\$20,975,000] \$13,702,000 for necessary expenses of Cooperative State Research Service activities, including coordination and program leadership for higher education work of the Department, administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which [\$8,580,000] \$11,500,000 shall be for a program of capacity building grants to colleges eligible to receive funds under the Act of

August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University, of which not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109; in all, [\$430,711,000] \$416,023,000.

The first change revises the language to make specific reference to special grants, consistent with the amendment to this authority in the Food, Agriculture, Conservation, and Trade Act of 1990; adds language to provide for administrative expenses; and clarifies the U.S. Code citation.

The second change deletes language limiting the availability of funds for obligation and adds the program authority citation consistent with amendments in the Food, Agriculture, Conservation, and Trade Act of 1990.

The third change deletes language for the animal health and disease research program authorized by section 1433 of Public Law 95-113, as amended; supplemental and alternative crops and products as authorized by section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; research pursuant to the Critical Agricultural Materials Act of 1984; and rangeland research grants as authorized by Subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended. No funding is proposed for these programs in fiscal year 1993.

The fourth change deletes language for Aquaculture Centers as authorized by Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended. No funding is proposed for this program in fiscal year 1993.

The fifth change revises the language to identify the title of the authorizing legislation rather than the Public Law number.

The sixth change deletes language for State agricultural weather information systems pursuant to section 1640 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854), and section 1472 of the Food and Agriculture Act of 1977 (7 U.S.C. 3318). No funding is proposed for this program in fiscal year 1993.

COOPERATIVE STATE RESEARCH SERVICE - CURRENT LAW

Appropriations Act, 1992	\$430,711,000
Morrill-Nelson	2,850,000

Total, Appropriations Act, 1992	433,561,000
Budget Estimate, 1993	418,873,000

Decrease in Appropriation	-14,688,000
	=====

COOPERATIVE STATE RESEARCH SERVICE - PROPOSED LEGISLATION

Budget Estimate, Current Law, 1993	\$418,873,000
Change due to proposed legislation (Morrill-Nelson)	-2,850,000

Net Request, President's 1993 Budget Request	416,023,000
	=====

SUMMARY OF INCREASES AND DECREASES - CURRENT LAW

Item of Change -----	1992 Estimated -----	Pay Cost -----	Program Changes -----	1993 Estimated -----
Payments under the Hatch Act ...	\$168,785,000	- -	- -	\$168,785,000
Cooperative forestry research ..	18,533,000	- -	-\$2,779,000	15,754,000
Payments to 1890 colleges and Tuskegee University	27,400,000	- -	+1,014,000	28,414,000
Special research grants	87,147,000	- -	-53,779,000	33,368,000
National Research Initiative competitive grants	97,500,000	- -	+52,500,000	150,000,000
Animal health and disease research, Section 1433	5,551,000	- -	-5,551,000	- -
Federal administration (direct appropriation)	20,795,000	+\$202,000	-7,295,000	13,702,000
Higher education	7,850,000	- -	+1,000,000	8,850,000
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Total Available	433,561,000	+202,000	-14,890,000	418,873,000
	=====	=====	=====	=====

PROJECT STATEMENT - CURRENT LAW
(On basis of appropriation)

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
1. Hatch Act							
Research program:							
Formula funds	\$119,800,508		\$124,474,748		- -	\$124,474,748	
Regional research.	37,959,313		39,482,313		- -	39,482,313	
Subtotal	157,659,821		163,957,061		- -	163,957,061	
Federal Admin. (3%)	4,630,493	(a)	4,827,939		- -	4,827,939	
Total	162,290,314	58	168,785,000	58	- -	168,785,000	67
2. Cooperative Forestry							
Research:							
Research program ..	17,285,400		17,977,010		-\$2,695,630	15,281,380	
Federal Admin. (3%)	534,368	(a)	555,990		-83,370	472,620	
Total	17,819,768	6	18,533,000	6	-2,779,000 (1)	15,754,000	6
3. Payments to 1690							
Colleges & Tuskegee							
University:							
Research program ..	25,555,620		26,578,000		+983,580	27,561,580	
Federal Admin. (3%)	790,038	(a)	822,000		+30,420	852,420	
Total	26,345,658	9	27,400,000	9	+1,014,000 (2)	28,414,000	10
4. Special Research							
Grants:							
Aflatoxin research,							
Illinois	131,000		134,000		-134,000	- -	
Agribusiness manage-							
ment, Mississippi ..	75,000		75,000		-75,000	- -	
Agricultural diversifi-							
cation, Hawaii ..	154,000		154,000		-154,000	- -	
Agricultural manage-							
ment systems, MA ..	275,000		261,000		-261,000	- -	
Agricultural trade,							
North Dakota	596,000		350,000		-350,000	- -	
Agricultural utiliza-							
tion, Minnesota ...	500,000		- -		- -	- -	
Alfalfa research, KS :	- -		125,000		-125,000	- -	
Alternative cropping							
systems in the							
Southeast, S. Carolina:	277,000		278,000		-278,000	- -	
Alternative crops,							
North Dakota	497,000		700,000		-700,000	- -	
Alternative marine &							
fresh water species,							
Mississippi	275,000		275,000		-275,000	- -	
Alternative pest							
control, Arkansas ..	1,391,000		1,400,000		-1,400,000	- -	
Alternative to							
Dinoseb, Oregon ...	225,000		225,000		-225,000	- -	
Animal Science Food							
Safety Consortium ..	1,845,000		1,942,000		-1,942,000	- -	
Animal waste dis-							
posal, Michigan ...	37,000		120,000		-120,000	- -	
Appalachian hard-							
woods, West Virginia:	- -		750,000		-750,000	- -	
Apple quality re-							
search, Michigan ..	94,000		94,000		-94,000	- -	
Aquaculture research							
(general)	656,000		316,000		-316,000	- -	
Aquaculture, Illinois:	- -		200,000		-200,000	- -	
Aquaculture, LA	- -		390,000		-390,000	- -	
Aquaculture, Stone-							
ville, Mississippi :	600,000		700,000		-700,000	- -	

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Asparagus yield decline, Michigan ..	\$94,000	:	\$94,000	:	-\$94,000	- -	:
Babcock Institute, WI	- -	:	75,000	:	-75,000	:	:
Bean and beet re- search, Michigan ..	189,000	:	189,000	:	-189,000	- -	:
Beef carcass eval- uation and identifi- cation	- -	:	210,000	:	-210,000	- -	:
Beef fat content, IA	200,000	:	237,000	:	-237,000	- -	:
Belgian endive, Mass.	67,000	:	- -	:	- -	- -	:
Blueberry shoestring virus, Michigan ...	92,000	:	- -	:	- -	- -	:
Broom snakeweed, NM	150,000	:	200,000	:	-200,000	- -	:
Canola research, KS	- -	:	100,000	:	-100,000	- -	:
Celery fusarium, MI	39,000	:	39,000	:	-39,000	- -	:
Center for rural studies, Vermont ..	- -	:	37,000	:	-37,000	- -	:
Chesapeake Bay aqua- culture, Maryland ..	437,000	:	437,000	:	-437,000	- -	:
Competitiveness of agriculture prod- ucts, Washington ..	- -	:	800,000	:	-800,000	- -	:
CONSOL, Wisconsin ..	- -	:	25,000	:	-25,000	- -	:
Controlled environ- mental production systems, PA	- -	:	240,000	:	-240,000	- -	:
Cool season legume research	375,000	:	387,000	:	-387,000	- -	:
Cottonseed extraction: and oil refining, TX:	75,000	:	75,000	:	-75,000	- -	:
Cranberry/blueberry disease & breeding, New Jersey	260,000	:	260,000	:	-260,000	- -	:
CRP acreage usage, Missouri	- -	:	50,000	:	-50,000	- -	:
Dairy & beef photo- period, Michigan ..	33,000	:	- -	:	- -	- -	:
Dairy goat research, Prairie View A&M, Texas	75,000	:	75,000	:	-75,000	- -	:
Delta rural revitali- zation, Mississippi	175,000	:	175,000	:	-175,000	- -	:
Dogwood anthracnose, Georgia, N. Carolina: and Tennessee	100,000	:	137,000	:	-137,000	- -	:
Dried bean research, North Dakota	93,000	:	100,000	:	-100,000	- -	:
Eastern filbert blight, Oregon	75,000	:	85,000	:	-85,000	- -	:
Enhanced livestock production, ND	250,000	:	250,000	:	-250,000	- -	:
Environmental re- search, New York ..	297,000	:	575,000	:	-575,000	- -	:
Ethanol research, AR	100,000	:	175,000	:	-175,000	- -	:
Expanded wheat pasture, Oklahoma ..	275,000	:	337,000	:	-337,000	- -	:
Export development, Kentucky	- -	:	227,000	:	-227,000	- -	:
Export Services, OR	348,000	:	- -	:	- -	- -	:
Farm and rural busi- ness finance, Illi- nois and Arkansas ..	- -	:	125,000	:	-125,000	- -	:
Fish marketing, Oregon and RI	- -	:	340,000	:	-340,000	- -	:
Floriculture, Hawaii	296,000	:	296,000	:	-296,000	- -	:

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Food & Agriculture							
Policy Institute,							
Iowa & Missouri ...	\$750,000		\$750,000		-\$750,000	- -	
Food irradiation, IA	100,000		237,000		-237,000	- -	
Food Marketing Policy:							
Center, Connecticut	393,000		393,000		-393,000	- -	
Food processing							
center, Nebraska ..	- -		50,000		-50,000	- -	
Food safety labora-							
tory, Maine	93,000		- -		- -	- -	
Food systems group,							
Wisconsin	261,000		261,000		-261,000	- -	
Forestry marketing,							
VT and NH	- -		50,000		-50,000	- -	
Genetic engineering							
of plants, Ohio ...	- -		240,000		-240,000	- -	
Global change	- -		2,000,000		+2,000,000	\$4,000,000	
Grasshopper biocon-							
trol, North Dakota.	73,000		75,000		-75,000	- -	
Great Plains Agri-							
culture Policy							
Center, KS and OK .	- -		100,000		-100,000	- -	
Human nutrition, Iowa:	300,000		500,000		-500,000	- -	
Human nutrition, LA.	800,000		800,000		-800,000	- -	
Human nutrition, NY.	556,000		735,000		-735,000	- -	
Improved dairy man-							
agement, Vermont ..	- -		335,000		-335,000	- -	
Integrated forest							
management, Arkansas:	25,000		- -		- -	- -	
Integrated orchard							
management, Vermont	49,000		49,000		-49,000	- -	
Integrated pest							
management and							
biological control	4,000,000		4,457,000		+543,000	5,000,000	
Integrated produc-							
tion systems, OK ..	186,000		193,000		-193,000	- -	
International live-							
stock program, KS .	94,000		94,000		-94,000	- -	
Iowa Biotechnology							
Consortium	1,756,000		1,953,000		-1,953,000	- -	
Irrigation/fish pro-							
duction, Arkansas .	167,000		167,000		-167,000	- -	
Kansas facility study:	- -		50,000		-50,000	- -	
Leafy spurge bio-							
control, Montana ..	125,000		125,000		-125,000	- -	
Livestock & dairy							
policy, New York &							
Texas	525,000		525,000		-525,000	- -	
Lowbush blueberry							
research, Maine ...	202,000		185,000		-185,000	- -	
Low-input agric., MI	174,000		230,000		-230,000	- -	
Maple research, VT .	99,000		99,000		-99,000	- -	
Mechanical tomato							
harvester, PA	- -		134,000		-134,000	- -	
Mesquite and prickly							
pear, Texas	- -		100,000		-100,000	- -	
Michigan Biotechno-							
logy Institute ...	2,246,000		2,358,000		-2,358,000	- -	
Midwest agricultural							
products, Iowa	- -		700,000		-700,000	- -	
Midwest Biotechnology:							
Consortium	2,730,000		2,865,000		-2,865,000	- -	
Milk safety, PA	283,000		284,000		-284,000	- -	
Milkweed research,							
Nebraska	80,000		80,000		-80,000	- -	
Mink research, Oregon:	- -		46,000		-46,000	- -	

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Minor crop pest control, Hawaii ...	\$285,000		\$285,000		-\$285,000	- -	
Minor use animal drugs	450,000		464,000		+186,000	\$650,000	
Mosquito research, riceland agro-ecosystem	453,000		453,000		-453,000	- -	
Multi-cropping strategies for aqua- culture, Hawaii ...	150,000		150,000		-150,000	- -	
National Biological Impact Assessment Program	300,000		300,000		- -	300,000	
Nematode resistance genetic engineering, New Mexico	150,000		150,000		-150,000	- -	
New uses for agricultural products, Ohio:	140,000		140,000		-140,000	- -	
Nonfood agricultural products, Nebraska:	110,000		110,000		-110,000	- -	
Oil from jojoba, NM:	200,000		200,000		-200,000	- -	
Oregon/Massachusetts biotechnology	500,000		537,000		-537,000	- -	
Peach tree short life, South Carolina:	192,000		192,000		-192,000	- -	
Peanut breeding, GA:	47,000		- -		- -	- -	
Pecan weevil, OK ...	25,000		- -		- -	- -	
Pest control alternatives	- -		125,000		-125,000	- -	
Pesticide clearance:	3,000,000		3,500,000		+3,500,000	7,000,000	
Pesticide impact assessment	2,968,000		2,968,000		- -	2,968,000	
Pesticide research, Washington	484,000		667,000		-667,000	- -	
Phytophthora root rot, New Mexico ...	125,000		150,000		-150,000	- -	
Plastic from cornstarch, Nebraska ..	40,000		- -		- -	- -	
Potato research	1,371,000		1,435,000		-1,435,000	- -	
Poultry research, GA:	- -		172,000		-172,000	- -	
Preservation and processing, Oklahoma .:	265,000		282,000		-282,000	- -	
Prime farmland reclamation	609,000		- -		- -	- -	
Procerum root disease, Vermont	- -		25,000		-25,000	- -	
Product development and marketing center, Maine	- -		221,000		-221,000	- -	
Red River Corridor, MN & ND	- -		200,000		-200,000	- -	
Regional barley gene mapping project ...	262,000		412,000		-412,000	- -	
Regionalized implications of farm programs, Missouri and Texas	348,000		348,000		-348,000	- -	
Rural development centers	500,000		500,000		-500,000	- -	
Rural economic development, Georgia ...	744,000		744,000		-744,000	- -	
Rural environmental research, Illinois:	75,000		125,000		-125,000	- -	
Rural policies institute, Arkansas:							
Nebraska, Missouri:	375,000		525,000		-525,000	- -	
Russian wheat aphid:	350,000		437,000		-437,000	- -	

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Safflower research, N. Dakota & Montana	\$248,000		\$250,000		-\$250,000	- -	
Sandhills grazing management practices:							
Nebraska	99,000		99,000		-99,000	- -	
Seafood and aquaculture harvesting, processing, marketing, Mississippi ..	361,000		361,000		-361,000	- -	
Seedless table grapes, Arkansas ..	50,000		50,000		-50,000	- -	
Seedstocks enhancement, North Dakota	198,000		- -		- -	- -	
Small fruit research, Oregon, Washington, Idaho	125,000		187,000		-187,000	- -	
Southwest consortium for plant genetics & water resources ...	400,000		400,000		-400,000	- -	
Soybean bioprocessing, Iowa	200,000		275,000		-275,000	- -	
Soybean cyst nematode, Missouri	333,000		359,000		-359,000	- -	
STEEP II - Water quality in Pacific Northwest	980,000		980,000		-980,000	- -	
Stone fruit decline, Michigan	283,000		283,000		-283,000	- -	
Stored grain insects, Kansas	285,000		- -		- -	- -	
Subirrigation research, Michigan ..	262,000		531,000		-531,000	- -	
Sunflower insects, North Dakota and South Dakota	194,000		200,000		-200,000	- -	
Sustainable agriculture systems, NE	- -		70,000		-70,000	- -	
Swine research, MN	- -		140,000		-140,000	- -	
TCK smut (wheat) ...	250,000		250,000		-250,000	- -	
Technology transfer development, Iowa	- -		100,000		-100,000	- -	
Tropical & subtropical research	3,320,000		3,320,000		-3,320,000	- -	
Urban pests, Georgia	76,000		76,000		-76,000	- -	
Water conservation, Nevada	- -		200,000		-200,000	- -	
Water management, AL	397,000		398,000		-398,000	- -	
Water quality	8,000,000		9,000,000		- -	\$9,000,000	
Weed control, ND ...	- -		500,000		-500,000	- -	
Wheat genetics, KS	149,000		159,000		-159,000	- -	
Wheat marketing, OR	- -		300,000		-300,000	- -	
White mold research, Ohio	- -		55,000		-55,000	- -	
Wild rice research, Minnesota	50,000		88,000		-88,000	- -	
Wood utilization ...	2,852,000		2,852,000		-2,852,000	- -	
Wool research	198,000		250,000		-250,000	- -	
World food systems, Indiana and Ohio ..	357,000		368,000		-368,000	- -	
Youth science camp, West Virginia	94,000		- -		- -	- -	
Gramm-Rudman-Hollings Reduction	-806		- -		- -	- -	
Federal Admin. (4%)	(2,482,728)		(2,959,160)		(-1,802,440)	(1,156,720)	
Total	62,068,194		73,979,000		-45,061,000	28,918,000	

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Critical Agricultural Materials Act of 1984:							
Research program ..	\$776,000		\$388,000		-\$388,000	- -	
Federal Admin. (3%)	23,990	(a)	12,000		-12,000	- -	
Total	799,990		400,000		-400,000	- -	
Rangeland Research							
Grants (Subtitle M):							
Research program ..	460,750		460,750		-460,750	- -	
Federal Admin. (3%)	14,244	(a)	14,250		-14,250	- -	
Total	474,994		475,000		-475,000	- -	
Aquaculture Centers, Section 1475:							
Research program ..	3,637,500		3,880,000		-3,880,000	- -	
Federal Admin. (3%)	112,451	(a)	120,000		-120,000	- -	
Total	3,749,951		4,000,000		-4,000,000	- -	
International Trade:							
Research	3,057,440		- -		- -	- -	
Federal Admin. (3%)	94,519	(a)	- -		- -	- -	
Total	3,151,959		- -		- -	- -	
Sustainable Agric. Program	6,523,250		6,523,250		-2,206,750	\$4,316,500	
Federal Admin. (3%)	201,663	(a)	201,750		-68,250	133,500	
Total	6,724,913		6,725,000		-2,275,000	4,450,000	
Supplemental and Alternative Crops, Sec. 1473D:							
Crambe/Rapeseed ...	500,000		500,000		-500,000	- -	
Guayule research ..	668,000		668,000		-668,000	- -	
Gramm-Rudman- Hollings Reduction	-15		- -		- -	- -	
Federal Admin. (3%)	(35,040)		(35,040)		(-35,040)	- -	
Total	1,167,985		1,168,000		-1,168,000	- -	
State Agricultural Weather Information System, Sec. 1640 ..	- -		400,000		-400,000	- -	
Federal Admin. (3%)	- -		(12,000)		(-12,000)	- -	
Total	- -		400,000		-400,000	- -	
5. National Research	78,137,986	36	87,147,000	36	-53,779,000 (3)	33,368,000	34
Initiative Competitive: Grants (NRI):							
Natural Resources and Environment ...	14,000,000		18,000,000		+10,000,000	28,000,000	
Nutrition, Food Quality, & Health ..	4,000,000		6,500,000		+10,500,000	17,000,000	
Plant Systems	35,000,000		40,000,000		+12,000,000	52,000,000	
Animal Systems	20,000,000		25,000,000		+7,000,000	32,000,000	
Processes and new products	- -		4,000,000		+12,000,000	16,000,000	
Markets, trade and policy	- -		4,000,000		+1,000,000	5,000,000	
Gramm-Rudman-Hollings: Reduction	-949		- -		- -	- -	
Federal Admin. (4%)	(2,919,962)		(3,900,000)		(+2,100,000)	(6,000,000)	
Total	72,999,051	47	97,500,000	59	+52,500,000 (4)	150,000,000	69

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
6. Animal Health and Disease Research, Section 1433:							
Research program ...	\$5,328,960		\$5,328,960		-\$5,328,960	- -	
Federal Admin. (4%)	221,968	(a)	222,040		-222,040	- -	
Total	5,550,928	2	5,551,000	2	-5,551,000 (5)	- -	- -
7. Federal Administra- tion (Direct App.) (b):							
Gulf Coast shrimp aquaculture	3,365,000		3,500,000		-3,500,000	- -	
Mississippi Valley State University ..	642,000		668,000		-668,000	- -	
Iowa State-Center for Ag. & Rural Dev. ..	741,000		750,000		-750,000	- -	
Geographic Informa- tion System Pilot Program	747,000		1,000,000		-1,000,000	- -	
Vocational Agri- culture Curriculum, Aquaculture	500,000		500,000		-500,000	- -	
Maize Genetics Re- search Center, Univ. of North Dakota ...	100,000		400,000		-400,000	- -	
Herd Management Prog. Tennessee State Univ.	375,000		475,000		-475,000	- -	
Alternative Fuels Characterization Lab: University of ND ..	250,000		250,000		-250,000	- -	
Water Quality, So. Illinois University :	600,000		750,000		-750,000	- -	
Water Quality, Iowa State University ..	250,000		- -		- -	- -	
Water Quality, Univ. of North Dakota ...	750,000		500,000		-500,000	- -	
Office of Grants and Program Systems ...	568,000		334,000		- -	\$334,000	
Office of Agricul- tural Biotechnology :	375,000		400,000		- -	400,000	
Ag in the Classroom :	170,000		208,000		+8,000	216,000	
Peer Panels	250,000		260,000		+240,000	500,000	
Pay Costs	- -		550,000		+202,000	752,000	
1890 Capacity Building Grants ...	8,250,000		10,250,000		+1,250,000	11,500,000	
Gramm-Rudman-Hollings Reduction	-233		- -		- -	- -	
Total	17,932,767	15	20,795,000	17	-7,093,000 (6)	13,702,000	17
8. Higher Education:							
Graduate Fellowships :							
Grants	3,500,000		3,500,000		+500,000	4,000,000	
Institution Challenge: Grants	1,500,000		1,500,000		+500,000	2,000,000	
Strengthening Grants 1890 Colleges	2,000,000		- -		- -	- -	
Morrill-Nelson Funds (Permanent Appro.) :	2,850,000		2,850,000		- -	2,850,000	
Farmer Career Change, North Dakota	500,000		- -		- -	- -	
Gramm-Rudman-Hollings Reduction	-98		- -		- -	- -	
Federal Admin. (3%) :	(225,000)		(150,000)		(+30,000)	(180,000)	
Total	10,349,902	6	7,850,000	8	+1,000,000 (7)	8,850,000	8
Total, Obligations	391,426,374	179 (b)	433,561,000	195 (b)	-14,688,000	418,873,000	211
Gramm-Rudman-Hollings Reduction	+5,050		- -				
Transfer from CSRS account 12X1501	-93,000		- -				
Unobligated balances ..	+576		- -				
Total, Appropriation ..	391,339,000		433,561,000				

(a) Reflects Gramm-Rudman-Hollings reduction.

(b) The amounts listed in this table do not include all the costs associated with the items within the Direct Federal Administration activity. The amounts listed below are the additional costs that are funded for these purposes from the administrative set-aside of program funds.

Project	1991 Actual	1992 Estimated	1993 Estimated
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Ag in the Classroom ...	31,934	5,728	6,277
Office of Agricultural Biotechnology	144,467	201,881	225,956
Peer Panels	522,080	608,080	542,080
Office of Grants and Program Systems	4,869,894	6,197,786	6,775,556
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Other, Federal Administration	5,568,375	7,013,475	7,549,869
=====	=====	=====	=====

EXPLANATION OF PROGRAM

The funds appropriated for the Cooperative State Research Service (CSRS) provide the Federal Government's support for research and education programs at land-grant agricultural experiment stations, approved schools of forestry, the 1890 land-grant institutions and Tuskegee University, colleges of veterinary medicine, and other eligible institutions in the fifty States and in Puerto Rico, Guam, the Virgin Islands, the District of Columbia, American Samoa, Micronesia, and the Northern Mariana Islands.

The State institutions conduct research and experiments on the problems continuously encountered in the development of a permanent and sustaining agriculture and forestry, and in the improvement of the economic and social welfare of rural and urban families. Because of differences in climate, soil, market outlets, and other local conditions, each State has distinct problems in the production and marketing of crops and livestock. Farmers, foresters, and rural people in the individual States naturally look to their State Agricultural Experiment Stations, universities, and colleges for solution of the State and local problems and request services to help meet changing conditions.

Research programs at State institutions, to be most effective, include participation in regional and national programs. Joint effort by a group of State institutions is the most effective and often the only practical approach to problems of common interest. The stations are acting together as regional groups to provide cooperative, coordinated attacks on problems of regional and national interest. In a similar manner, the research programs of the State institutions and the Department of Agriculture are complementary and interdependent.

The Federal formula funds constitute a powerful force in bringing about inter-State cooperation and Federal-State collaboration in the planning and conduct of this overall program of agricultural research. Therefore, the impact of the Federal formula funds is far greater than would be expected solely on the basis of the amount of funds provided.

Research at the State institutions is organized into a program of projects that is submitted for approval by the Cooperative State Research Service. The program of projects is financed wholly or in part from Federal formula and grant funds. Programs and projects are evaluated periodically with station scientists by administrators and scientific staff of the Cooperative State Research Service. The evaluation includes consideration of quality and productivity of the program and projects. The continuing process of research evaluation by station scientists and the staff of the Cooperative State Research Service results in a dynamic program with approximately 15 to 20 percent of the projects being replaced by new and/or revised projects each year.

The Department's higher education mission is carried out in strong alliance with States, universities, and the private sector. Recognizing the significance of this alliance, the Food and Agriculture Act of 1977 designated USDA as the lead Federal agency for higher education in the food and agricultural sciences. Through the CSRS Office of Higher Education Programs, USDA has implemented that charge with a broad array of initiatives to link teaching, research, and extension and improve the training of food and agricultural scientists and professionals. Most of these efforts were informal until 1984, when the Department initiated the National Needs Graduate Fellowships Grants Program to develop expertise in areas with scientific shortages. This role was expanded significantly in recent years by implementation of the Higher Education Challenge Grants Program and the 1890 Institution Teaching and Research Capacity Building Grants Program, both of which are intended to strengthen the quality of education programs at U.S. colleges and universities.

Appropriations for the Cooperative State Research Service activities are authorized under the following Acts:

1. Payments to agricultural experiment stations under the Hatch Act
Agricultural Experiment Stations Act of August 11, 1955, Hatch Act of 1887 as amended - 7 U.S.C. 361a-361i, Public Law 92-318; Public Law 93-471; Public Law 95-113, as amended; Public Law 95-134; Public Law 96-205; Public Law 96-374; Public Law 96-597; Public Law 97-98; Public Law 98-213; Public Law 98-454; Public Law 99-198; Public Law 99-396; Public Law 101-624.

Funds under the Hatch Act are allocated to the State Agricultural Experiment Stations of the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, American Samoa, and Northern Mariana Islands for research to promote a sound and prosperous agriculture and rural life. The Hatch Act provides that the distribution of Federal payments to States for fiscal year 1955 shall become a fixed base and that any sums appropriated in excess of the 1955 level shall be distributed in the following manner:

- 20% shall be allotted equally to each State.
- not less than 52% shall be allotted to the States as follows:
 - one-half in an amount proportionate to the relative rural population of each State to the total rural population of all States, and
 - one-half in an amount proportionate to the relative farm population of each State to the total farm population of all States.
- not more than 25% shall be allotted to the States for cooperative research in which two or more State Agricultural Experiment Stations are cooperating to solve problems that concern the agriculture of more than one State.
- 3% shall be available to the Secretary of Agriculture for the administration of this Act.

The Act also provides that any amount in excess of \$90,000 available for allotment to any State, exclusive of the regional research fund, shall be matched by the State out of its own funds available for research, and for the establishment and maintenance of facilities necessary for the performance of such research. Also, in the case of Guam, the Virgin Islands, Micronesia, American Samoa, and Northern Mariana Islands, agencies are required by law to waive any requirement for local matching funds under \$200,000. If any State fails to make available a sum equal to the amount in excess of their matching requirement to which it may be entitled, the remainder of such amount shall be withheld by the Secretary of Agriculture and reapportioned among the States.

Three percent of funds appropriated under the Hatch Act is set-aside for Federal administration. Administration includes disbursement of funds and a continuous review and evaluation of the research programs of the State Agricultural Experiment Stations supported wholly or in part from Hatch funds. The Cooperative State Research Service encourages and assists in the establishment of cooperation within and between the States, and also actively participates in the planning and coordination of research programs between the States and the Department at the regional and national levels.

2. Cooperative Forestry Research - The Cooperative Forestry Research Act of October 10, 1962, 16 U.S.C. 582a-7; Public Law 96-374; Public Law 97-98; Public Law 99-198; Public Law 101-624.

The Act authorizes funding of research in State institutions certified by a State representative designated by the governor of each State. The Act provides that appropriated funds be apportioned among States as determined by the Secretary after consultation with a national advisory council of not

fewer than sixteen members representing Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest industries, the forestry schools of the State-certified eligible institutions, State Agricultural Experiment Stations, and volunteer public groups concerned with forests and related natural resources. Determination of apportionments follows consideration of pertinent factors including areas of non-Federal commercial forest land, volume of timber cut from growing stock, and the non-Federal dollars expended on forestry research in the State. The Act also provides that payments must be matched by funds made available and budgeted from non-Federal sources by the certified institutions for expenditure for forestry research. Three percent of funds appropriated under this Act is set-aside for Federal administration.

3. Payments to 1890 Colleges and Tuskegee University - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1445, Public Law 95-113; Public Law 95-547; Public Law 97-98; Public Law 99-198; Public Law 101-624.

Public Law 95-113, as amended, provides for support of continuing agricultural research at colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee University. Beginning with fiscal year 1979, there shall be appropriated funds for each fiscal year, an amount not less than 15 percent of the total for such year under Section 3 of the Act of March 2, 1887. Distribution of payments made available under section 2 of the Act of August 4, 1965, for fiscal year 1978 are a fixed base and sums in excess of the 1978 level shall be distributed as follows:

- 3% shall be available to the Secretary of Agriculture.
- Payments to States in fiscal year 1978 is a fixed base. Of funds in excess of this amount:
 - 20% shall be allotted equally to each State.
 - 40% shall be allotted in an amount proportionate to the rural population of the State in which the eligible institution is located to the total rural population of all the States in which eligible institutions are located, and
 - 40% shall be allotted in an amount proportionate to the farm population of the State in which the eligible institution is located to the total farm population of all the States in which eligible institutions are located.

Allotments to Tuskegee University and Alabama A&M University shall be determined as if each institution were in a separate State. Three percent of the funds appropriated under this Act is set-aside for Federal administration.

4. Special Research Grants- Section 2(c), Act of August 4, 1965, 7 U.S.C. 450i(c), as amended by Public Law 95-113; Public Law 97-98; Public Law 98-284; Public Law 99-198; Public Law 101-624.

Section 2(c) of the Act of August 4, 1965, as amended, authorizes Special Research Grants for periods not to exceed five years to State Agricultural Experiment Stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for the purpose of conducting research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the United States; and to State Agricultural Experiment Stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962, and accredited schools or colleges of veterinary medicine for the purpose of facilitating or expanding ongoing State-Federal food and agricultural research programs. Special Research Grants are awarded on the discretionary

basis as well as using a competitive peer panel process in the selection of proposals to be funded. Four percent of funds appropriated for this program is set-aside for Federal administration.

Research grants are also awarded under the Critical Agricultural Materials Act, Public Law 98-284, as amended. Rangeland Research Grants are awarded in accordance with Subtitle M of Public Law 97-98. Grants are awarded to aquaculture centers under section 1475(d) of Public Law 95-113, as amended. Grants for international trade development centers were awarded under section 1458A of Public Law 95-113. Grants for supplemental and alternative crops are awarded under section 1473D of Public Law 95-113. Grants for sustainable agriculture research and education are awarded under section 1621 of Public Law 101-624. Grants for State agricultural weather information systems are awarded under section 1640 of Public Law 101-624. Three percent of funds appropriated for these programs is set-aside for Federal administration.

5. National Research Initiative Competitive Grants - Section 2(b), Act of August 4, 1965, 7 U.S.C. 450i(b), as amended by Public Law 95-113; Public Law 97-98; Public Law 99-198; Public Law 101-624.

Section 2(b) of the Act of August 4, 1965, as amended, authorizes Competitive Research Grants for periods not to exceed five years to State Agricultural Experiment Stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals to further the programs of the Department of Agriculture. By obtaining the participation of outstanding researchers in the entire U.S. scientific community, emphasis will be placed on research in the areas of natural resources and the environment; nutrition, food quality, and health; plant systems; animal systems; markets, trade and policy; and processes antecedent to adding value and developing new products. Four percent of funds appropriated for this program is set-aside for Federal administration.

6. Animal Health and Disease Research - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1433, Public Law 95-113; Public Law 97-98; Public Law 99-198; Public Law 101-624.

Section 1433 provides for support of livestock and poultry disease research in accredited schools or colleges of veterinary medicine or State Agricultural Experiment Stations that conduct animal health and disease research. These funds shall be distributed as follows:

- 4% shall be retained by the Department of Agriculture for administration, program assistance to the eligible institutions, and program coordination.
- 48% shall be distributed in an amount proportionate to the value of and income to producers from domestic livestock and poultry in each State to the total value of and income to producers from domestic livestock and poultry in all the States.
- 48% shall be distributed in an amount proportionate to the animal health research capacity of the eligible institutions in each State to the total animal health research capacity in all the States.

Eligible institutions must provide non-Federal matching funds in States receiving annual amounts in excess of \$100,000 under this authorization.

7. Federal Administration (direct appropriation) - Authority for direct appropriations is provided in the annual Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act. These funds are used to provide support services in connection with planning and

coordination of all programs administered by Cooperative State Research Service. Certain research and higher education program grants, including the 1890 Institution Teaching and Research Capacity Building Grants Program,

8. Higher Education - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1417, Public Law 95-113; Public Law 97-98; Public Law 99-198; Second Morrill Act of 1890; Public Law 100-339; Public Law 101-624.

Higher Education-Strengthening Grants pursuant to Section 1417(b)(1) support resident instruction programs at historically black land-grant institutions and Tuskegee University. Higher Education-Graduate Fellowships Grants pursuant to Section 1417(b)(6) are awarded on a competitive basis to colleges and universities to conduct graduate training programs to stimulate the development of food and agricultural scientific expertise in targeted national need areas. Institution Challenge Grants pursuant to Section 1417(b)(1) are designed to stimulate and enable colleges and universities to provide the quality of education necessary to produce graduates capable of strengthening the Nation's food and agricultural scientific and professional workforce. Three percent of funds appropriated for these programs is set-aside for Federal administration.

Higher education in the food and agricultural sciences at the land-grant institutions is also supported through a permanent appropriation in the Second Morrill Act of 1890, as amended.

Audit Reports

- #50563-192-AT, 9/25/91, OMB Circular A-128 audit of Fort Valley State College, Georgia, for the fiscal year ended June 30, 1990 (open).
- #50568-172-TE, 7/01/91, OMB Circular A-128 audit of the State of Louisiana for the fiscal year ended June 30, 1990 (closed).
- #50568-240-KC, 8/14/91, OMB Circular A-128 audit of the State of Colorado for the year ended June 30, 1989 (open).
- #50568-241-KC, 7/9/91, OMB Circular A-128 audit of North Dakota State University for the year ended June 30, 1990 (open).
- #50568-402-SF, 1/16/91, OMB Circular A-128 audit of the University of Idaho for the two year period ended June 30, 1989 (open).
- #50568-80-HY, 2/21/91, OMB Circular A-128 audit of the State of Vermont for fiscal year ended June 30, 1989 (closed).

Audits In Progress

- #13099-1-KC, draft report received, audit of the Small Business Innovation Research Program (open).
- #13600-1-AT, audit of the Cooperative State Research Service's administration of agricultural research projects (open).

Program Reviews

Joint research and extension review of the regional rural development centers and special projects relating to rural development, July 15-17, 1991 (closed).

GAO review of the Sustainable Agriculture Research and Education Program (formerly Low Input Sustainable Agriculture - LISA), anticipated completion date June 1992 (open).

GAO review of USDA's Pesticide Registration Program (IR-4 Program) (open).

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$2,779,000 for payments to States under the formula provisions of the Cooperative Forestry Research program (\$18,533,000 available in 1992).

Need for Change. The Cooperative Forestry (McIntire-Stennis) Research program at land-grant and other State institutions is planned and directed to provide answers to questions that face forest and land owners and managers. State research institutions conduct forestry research under other authorizations which provide opportunity to respond to State, regional, and national priorities as appropriate. A funding reduction is being proposed. The State Agricultural Experiment Stations and Forestry Schools will determine areas to be reduced, however, they have maximum flexibility under this program to tailor research according to specific needs and can continue to fund research in those areas that they identify as highest priority.

Nature of Change. The Cooperative Forestry Research program at the sixty-three participating institutions will be conducted at a reduced level. Ongoing Federal and State forestry research efforts will also continue under other authorizations.

- (2) An increase of \$1,014,000 for payments to the 1890 Land-Grant Colleges and Tuskegee University under the formula provisions of the Evans-Allen program (\$27,400,000 available in 1992).

Need for Change. Agriculture in the Southeastern States served by the 1890 Land-Grant institutions is diverse and research programs are needed to respond to the variety of problems and opportunities in the region. Researchers must work on ways to increase productivity and profitability of animal and crop production. Rural development activities need attention and information is needed on issues related to agricultural structure. Finally, there is a need for work to develop and adopt agricultural management practices that are profitable and sustain production without environmental degradation.

Nature of Change. Increased funding will be used to strengthen the ongoing agricultural research programs in rural development and agricultural production in the Southern and border regions. The entire region will be examined in terms of the past and present agricultural structure; the dependence of rural, and sometimes not so rural, residents of the region; and the quality of life resulting from the structure.

The resources will also be used to investigate problems affecting profitability and productivity of animals and animal systems. Research will continue on providing new insights into alternative animal systems. The research will be designed to provide information on how limited resource farmers get the competitive edge essential for survival in the management and production of these alternative animal and crop systems. New and exotic crops will be investigated to meet the needs of diverse populations which seek products that are not normally produced in this country. Agronomic and marketing studies will be done to determine the feasibility of producing these crops.

Increased funding will be used to provide greater emphasis on environmental issues in the region. The research will generate information on basic mechanisms which affect water quality, soil erosion, and other environmental concerns. New management systems and models will be evaluated to provide sound data for planning. The information will be useful to producers and planners who are concerned with environmental issues. The 1993 request is a 3.7 percent increase over the 1992 appropriation.

- (3) A net decrease of \$53,779,000 for Special Research Grants, Sustainable Agriculture, Supplemental and Alternative Crops, Critical Agricultural Materials Act, Rangeland Research Grants, Aquaculture Centers, and State Agricultural Weather Information Systems (\$87,147,000 available in 1992) consisting of:

- (a) An increase of \$2,000,000 for Global Change Special Research Grant (\$2,000,000 available in 1992).

Need for Change. There is a lack of data on the geographical and temporal trends in UV-B light levels. A pilot UV-B monitoring network is essential to determine these trends as this part of the solar spectrum can be detrimental to humans, animals, and crops. During the last year new indications that UV-B levels are increasing faster than previously estimated have increased the need to expand this network to obtain needed data.

There is a very serious need to stimulate the use of biofuels through a research program focused on substitution of renewable biomass energy sources, such as alcohol and vegetable oils. Agriculture in the United States has a tremendous capacity to produce herbaceous and woody biomass feedstocks for conversion into liquid and solid fuels. Biomass fuels are being used, both on and off the farm, however, these fuels are far from reaching their potentials. The potentials are many faceted in that there are economic benefits to producers of the feedstocks, jobs for those involved in conversion, marketing, etc., and very importantly, major environmental benefits from the cleaner sources of energy. Use of biofuels could eventually decrease the amount of fossil fuels needed from foreign sources, resulting in a more favorable trade balance and a reduction in the amount of carbon currently being injected into the atmosphere from fossil fuels. Additional ethanol could be made from corn without adversely impacting food costs. There are also other grain crops and lignocellulosic feedstocks that are potential sources for alcohol production. Diesel fuels can be made from vegetable oils including sunflower, safflower, soybean, cottonseed, rapeseed, canola, corn, coconut, and peanut oils. Waste wood is the most commonly used solid fuel, although there are many other potential solid biomass fuels from agricultural and forestry residues and processing by-products.

Nature of Change. Total funding of \$3 million for UV-B will allow for expansion of a pilot monitoring network for obtaining baseline information. To save funds and time, it is intended that UV-B instrumentation and support will be added to selected monitoring stations of the National Atmospheric Deposition Program/National Trends Network. As envisioned, the overall operation of this program will include development of up to six intensive sites at which research instruments will be used to collect very high quality data, the deployment of a network of rugged field instruments which will provide more limited data, and a network with the capacity to interact with both types of instruments.

Use of biomass for liquid and solid fuels provides for a short carbon cycle (versus a long cycle through fossil fuels) and lower net carbon contribution to the atmosphere when compared to conventional fuels. In general, biofuels result in lower airborne pollutants compared to coal and petroleum fuels. The challenge for this \$1 million research program is to help find ways of reducing the costs associated with the production/collection of feedstocks, improving the yields and conversion rates of alcohol processes, and developing new uses of the by-products. Improved yields of oilseed crops, improved extraction processes, the development of improved technologies to modify the

chemical and physical properties of oils, and the development of new uses for the by-products will result in more acceptable fuels at lower costs. Additionally, more jobs will be created and the U. S. economy will benefit.

- (b) An increase of \$543,000 for Integrated Pest Management and Biological Control Special Research Grant (\$4,457,000 available in 1992).

Need for Change. Scientists and the public are calling for a renewed research emphasis on pest control strategies that place greater reliance on alternatives to the use of pesticides. In response to this national need, the Experiment Station Committee on Organization and Policy (ESCOP) in collaboration with the National Association of State Universities and Land Grant Colleges (NASULGC) and CSRS has developed and published a "Blueprint for Integrated Pest Management for the 21st Century". This blueprint identifies management strategies which enhance natural controls of pests. Biological control is the primary focus of future pest management efforts because it is the primary approach to using and enhancing natural controls in the environment. These management practices will slow the loss of pesticides due to pest resistance and environmental concerns by utilizing them judiciously where they complement the natural and biological controls. Limitations to continued use of pesticides are increasing because of concerns for human health, ground and surface water contamination, loss of effectiveness due to pest resistance, affects on non-target species, and proposed cancellations of pesticide registrations. With the diminished utility and confidence in pesticides and the very great losses that pests can cause, it is imperative to mobilize the best scientific talent of this country to develop and sustain agricultural production. This can be done with biological control, host resistance, resistance management through a better understanding of adaptive genetics, and other pest management practices that conserve the usable life of the safer pesticides by using them in ways that enhance the natural controls and minimize development of genetic resistance. This increase is needed to address the biological control issues.

Major emphasis and focus is needed to speed the development and implementation of biological controls using biological control agents such as predators, pathogens, competitors, antagonists, and other procedures used against plant pathogens to cause biological suppression. Pest management approaches that do not require pesticides do require more knowledge of pests, natural enemies of pests and mechanisms of biological pest suppression. The knowledge required extends from the ecosystem to the molecular level. Mechanisms of organismal interactions between the plant, the pest, and the beneficial organisms must be understood well enough that producers and extension can use biological controls with confidence. This ecologically-based pest management tactic requires significant support of the basic sciences to maintain the cutting-edge of science necessary to bring this technology to implementation in IPM, Water Quality, Food Safety, and Sustainable Agriculture programs.

A transition is taking place in agriculture to less pesticide dependence. The scientists in the Land-Grant University system are leading this transition. During the past five years the number of scientists working in biological control has doubled to about 206 SY's today. Modest investments of Federal support will be magnified by the resources that already have been committed at the state level, providing a much greater impact than if the transition had not occurred. Federal funding at this time is critical to sustaining this essential transition. Increased operational support is needed to

enhance coordination and collaboration with the USDA Interagency Biological Control Coordinating Committee (ARS, CSRS, APHIS, CES, and FS) and with international programs including US/AID.

Nature of Change. CSRS has provided a plan for an improved conceptual basis for future IPM in this country. The "Blueprint for Integrated Pest Management for the 21st Century" will foster sound, economically superior pest control which fosters environmental quality and food safety. This plan can be implemented by taking initiatives in selected areas of science and technology. These initiatives are in biological control, host resistance and resistance management through a better understanding of adaptive genetics.

A national, scientific biological control working group has identified priorities and opportunities for biological control research that need emphasis and has collaborated with other USDA agencies to coordinate programs. Basic and applied research will be conducted to determine mechanisms of biological control and to determine the role of native beneficial organisms and learn how to manipulate and enhance their effect by crop rotations, varietal selection, and other cultural methods. Methods to propagate beneficial microbes or predators and parasites and approaches to mass release and distribution will be investigated. Biological control has been greatly effective and safe in its use against pests that have been imported. Natural enemies of imported pests will be sought and introduced for control. Research supporting this type of biological control includes systematics, ecology, biogeography, and genetics. Biological control will be sought for many pests for which there are no good controls such as nematodes, root diseases, damping-off fungi, and plant viruses and mycoplasmas. Research on cross-protection and hypovirulence mechanisms will be studied. Biological control is appropriate for many pests including viral diseases such as barley yellow dwarf and citrus tristeza, nematode pests such as cyst nematodes, insect pests such as sweet potato whitefly, European corn borer, cockroaches, fruit flies, stored grain beetles and moths, mites, facefly, gypsy moth, boll weevil, bollworms, housefly, diamond-back moth, etc.

- (c) An increase of \$186,000 for Minor Use Animal Drugs Special Research Grant (\$464,000 available in 1992).

Need for Change. Funds will address the increasing need for registration of safe animal drugs and biologics for minor uses and minor species. The unavailability of such drugs, requisite to adequate animal health and protection, results in serious economic losses to producers and threatens the economic viability of some animal industries. For example, a recent workshop, involving the U.S. Department of Agriculture, the U.S. Food and Drug Administration (FDA), university scientists, aquaculture producers, and representatives from pharmaceutical industries, identified several high priority research needs for the rapidly growing aquaculture industry. Currently there are very few approved drugs to help control diseases and parasites in aquaculture species.

The high cost incurred to obtain the extensive experimental data on efficacy, safety, and residue depletion, required by federal and local regulations, cannot profitably be borne by the animal and pharmaceutical industries. The IR-4 Minor Use Animal Drug Program, (A National Agricultural Program to Clear Pest Control Agents and Animal Drugs for Minor Uses), working cooperatively with FDA, provides the only remaining alternative to approve these types of drugs. The program is a prime example of Federal interagency cooperation in coordination with academic institutions, pharmaceutical industries and commodity interests to effectively meet an urgent need.

Nature of Change. Grants for the IR-4 Minor Use Animal Drug Program are awarded by USDA in support of the National program to obtain clearance, by FDA, of animal drugs and biologics for minor uses and minor species. A recent report concluded that "Current funding does not permit rapid response to the steadily growing needs of industries such as aquaculture, gamebreeders, commercial pet suppliers, sheep, goats, and certain other segments of livestock and poultry industries." The increase will stress the expanding needs for many species with emphasis on the aquaculture industry.

To date, the program has received 200 requests for clearances. Fifteen public master files, which involve 12 new animal drugs in 9 animal species, have been published in the Federal Register related to the use of specific drugs in minor animal species. Twelve additional public master files are currently being reviewed by FDA. Research is also being conducted on 18 ongoing projects in conjunction with many universities, the U. S. Department of Interior (Fish and Wildlife Service), and the USDA-Agricultural Research Service. The IR-4 Minor Use Animal Drug Program continues to benefit from the eighteen pharmaceutical companies that have cooperated on animal drug research projects for this program.

- (d) An increase of \$3,500,000 for Pesticide Clearance Special Research Grant (\$3,500,000 available in 1992).

Need for Change. The 1988 amendments to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) have created a serious potential loss of over 3,500 pesticide uses important to minor crops farmers. If American agriculture is to have available the legally registered materials necessary to provide for a wholesome and nutritious diet for the consuming public and to supply them with the ornamental plants to beautify their environment, it is essential to meet these regulatory demands.

The recent FIFRA amendments greatly accelerated the need for reregistration of many currently used pesticides. Reregistration of previously registered pesticides will require redoing much of the original research using current state-of-the-art technology. There is no patent protection and very little economic incentive for commercial companies to reregister these older pesticides. In contrast, the economics to the user are excellent, and further, these older pesticides have been researched and incorporated into sound environmental management systems. Their loss would be a severe restriction to pest management programs.

CSRS appointed a review team comprised of representatives of State Agricultural Experiment Stations, Federal agencies involved in IR-4, the pesticide industry, and producer groups to examine the IR-4 program. Their report (February 1991) concluded that IR-4 needs a significant increase in its direct funding in order to serve the needs of the \$19.3 billion minor crop industry in a timely and comprehensive fashion.

Nature of Change. The increased support is required for the expansion of the reregistration process for minor use agricultural commodities and the initial registration of safer and more environmentally compatible pesticides. The project is addressing requests for assistance in the registration of both food and ornamental crops. IR-4 receives about 375 valid requests from growers, extension personnel, research scientists and ranchers each year and has a large backlog of valid researchable requests, currently more than 1,200. These increased funds will support the completion of significantly

more tolerance projects. To meet these demands, the research activities of the IR-4 program will be expanded to include additional field experiments and the resultant chemical analyses for residues. The final product of the increased support will be an increased number of chemical and biological products available for use on minor crops.

- (e) A decrease of \$2,275,000 for the Sustainable Agriculture Program (\$6,725,000 available in 1992).

Need for Change. This program, first funded in FY 1988, is a partnership of federal agencies, universities, farmers, foundations, and industry. Contributions by project participants have more than equally matched the appropriations for the sustainable agriculture program each year. Although the program is relatively new, it has already developed reliable information on the feasibility of rotations, biological pest controls, use of green manures, and other farming practices that hold promise of significantly reducing the use of potentially harmful chemical pesticides and fertilizers. The Department of Agriculture, recognizing the need for the development and dissemination of information about these innovative farming systems, will continue its leadership role and serve to encourage our partner organizations in the public and private sectors to continue and accelerate efforts to find productive and profitable alternatives to high-chemical farming methods.

Nature of Change. The Department recognizes the importance of this program, however, in view of other budget priorities, recommends a decrease in funding for this program. Sustainable agriculture research is conducted by the Agricultural Research Service and is also being supported through the Hatch Act and Evans-Allen programs and the National Research Initiative Competitive Grants program.

- (f) A decrease of \$45,061,000 for Special Research Grants, \$1,168,000 for Supplemental and Alternative Crops and Products, \$400,000 for Critical Agricultural Materials Act, \$475,000 for Rangeland Research Grants, \$4,000,000 for Aquaculture Centers, and \$400,000 for State Agricultural Weather Information Systems.

Need for Change. These grants programs have concentrated on problems of national and local interest beyond the normal emphasis in the formula programs. The Hatch Act formula and related base funded programs constitute the core of the State-Federal research partnership and, when put together with State funding, provide the basic laboratory facilities, scientists, graduate students, and support necessary for the long term stability of agricultural research. Thus, these base programs become the highest priority of the State-Federal research partnership. Selected high priority National interest special research grant programs will be continued.

Nature of Change. This change will eliminate this specific funding support for selected grant programs. Due to the discretionary nature of the Hatch Act formula and related base funded programs, amounts allotted to State institutions permit the institutions to fund research in those areas that they identify as high priority. This flexibility could provide for maintaining some of the programs if the State institutions wish to continue the research. These projects could also be submitted for competition and possible funding under the National Research Initiative.

- (4) An increase of \$52,500,000 for the National Research Initiative Competitive Grants Program (\$97,500,000 available in 1992).

Need for Change. A 1989 report from the National Academy of Sciences (NAS) (Investing in Research: A Proposal to Strengthen the Agricultural, Food, and Environmental System) recommended the establishment of the National Research Initiative (NRI) with new funding of \$500 million per year. The NRI was broadly endorsed by users of research results and brings new Federal support for agricultural research awarded on a competitive basis.

The NRI addresses broad societal issues that are crucial not just to the industries that are involved with food, forest and agriculture but issues that are vital to every citizen whose well-being and quality of life will be enhanced by the results. These issues include: (1) insuring the sustainability of agriculture and forestry, (2) restoring and preserving the environment and natural resources, (3) assuring the dietary health and well-being of the populace, (4) maintaining and enhancing the competitiveness of the U.S. agriculture industry in the international marketplace, and (5) making an investment in the future well-being of the country through excellence in science and education.

Nature of Change. In order to address high priority concerns of the Department, funding requested for the six National Research Initiative (NRI) categories in 1993 is as follows:

<u>Categories</u>	(\$000 in Thousands)		
	<u>1992</u>	<u>Change</u>	<u>1993 Request</u>
Natural Resources and the Environment	\$18,000	+\$10,000	\$28,000
Nutrition, Food Quality, and Health	6,500	+10,500	17,000
Plant Systems	40,000	+12,000	52,000
Animal Systems	25,000	+7,000	32,000
New Products and Processes	4,000	+12,000	16,000
Markets, Trade, and Policy	<u>4,000</u>	<u>+1,000</u>	<u>5,000</u>
Total	97,500	+52,500	150,000

As shown below, the six NRI categories will have significant impact on programs in the Department's high priority initiatives on water quality, global change, energy, food safety, biotechnology, human nutrition, new uses and products, and advanced materials. The plant genome mapping program will continue to be an integral part of the plant systems research category with the Agricultural Research Service as the lead agency.

Funding from NRI for High Priority Areas
(Dollars in Thousands)

<u>Crosscut Area</u>	<u>1991</u>	<u>1992</u>	<u>1993 Request</u>
Water Quality	4,609	4,609	5,600
Global Change/MARS	9,555	9,555	10,400
Food Safety	1,266	2,000	2,500
Human Nutrition	2,734	4,500	8,000
Plant Genome	11,075	13,000	18,000
Energy	514	514	5,514
Biotechnology	29,171	35,025	47,450
New Uses	2,291	6,291	18,291
Advanced Materials	1,833	3,433	10,233

Energy biomass research on alcohol fuels made from agricultural and forestry feedstocks and conversion technologies will be expanded under the NRI. Research to study the biological aspects of methane generation in agriculture and forestry will also be carried out under the NRI in 1993 as a contribution to global change Mitigation and Adaptation (MARS). Research across a broad range of animal science areas is urgently needed for the future enhancement of animal production efficiency as well as to address such areas as the modification of animal products.

Developing new uses for agricultural materials by enhancing process efficiencies and developing the knowledge base to support quantifiable and innovative processing/preservation methods for conversion of agricultural materials into new value-added food and non-food products is a top priority for U.S. agriculture. Research will emphasize processes that are environmentally acceptable and energy-efficient as well as identify potential applications of the research or address an identified market need.

Human nutrition research will be expanded to include the areas of food choices and food survey methodology to support the Nutrition Education Initiative. Examples in the food choices area are identifying and overcoming obstacles to healthful food habits and determining factors that affect food choices of children and limited-resource adults. In the survey methodology area improvements are needed in uniform dietary indicators, in survey techniques that are more sensitive to changes in contemporary eating behaviors, and in monitoring knowledge and attitudes about food and health.

In each of the six program areas, four types of competitive research grants are available: (1) individual investigator grants, (2) fundamental multidisciplinary team grants, (3) mission-linked multidisciplinary team grants, and (4) research strengthening grants. Approximately 70 percent of the effort proposed in the NRI supports fundamental research directed at the most urgent agriculture and natural resource problems. It is from this form of science that major conceptual breakthroughs are expected to emerge. These breakthroughs are critical to the eventual solution of complex problems faced by farmers, ranchers, processors, and consumers. Fundamental research projects are both individual investigator grants and multidisciplinary team grants. Mission-linked multidisciplinary team grants support multidisciplinary research focusing on more applied problems of national significance and are broadly interlinked. Research strengthening grants help institutions develop competitive research programs and attract new scientists into careers in agriculture, food, and environmental sciences.

Funds are awarded on a competitive, peer reviewed basis. This form of funding mechanism is uniquely suited to stimulating new research activity in specific, high-priority areas of science and engineering. All public and private universities, research organizations, Federal agencies, private organizations, corporations, and individuals are eligible to compete for these funds. Increased funding for the NRI makes USDA competitive research grants more comparable in size and length to grants awarded by the National Science Foundation.

The NRI continues to have the strong support of the Department as well as numerous producer and trade associations. It has attracted the interest of the scientific community throughout the United States. The NRI is of critical importance to the future of American agriculture and has been the first successful mechanism to increase the investment in agriculture research in recent years. Congress has fully embraced the NRI in the 1990 Farm Bill and with annual funding increases without earmarking. To the extent that funds are awarded competitively and not earmarked for specific sites or institutions, it is proposed that funding for the NRI be increased by \$50 million annually through the outyears.

- (5) A decrease of \$5,551,000 for Animal Health and Disease Research, Section 1433, P.L. 95-113 (\$5,551,000 available in 1992).

Need for Change. The Animal Health and Disease Research program has provided funds on a formula basis for livestock and poultry disease research at accredited colleges of veterinary medicine and State Agricultural Experiment Stations. Some aspects of this program may be continued under the expanded Animal Systems component of the National Research Initiative which will target funds to projects of highest scientific merit and most closely tied to national priorities.

Nature of Change. This change will eliminate formula funding for this program. Animal health and disease research is being conducted in other ongoing Federal and State research programs. Certain aspects of the CSRS animal health research previously conducted under this formula program may be continued under the Animal Systems component of the National Research Initiative which will provide a focus for innovative approaches to solving fundamental problems in animal health and disease in food and fiber animals.

- (6) A net decrease of \$7,093,000 for Federal Administration (direct appropriation) (\$20,795,000 available in 1992) consisting of:

- (a) A decrease of \$7,543,000 for the following projects (\$7,543,000 available in 1992):

-3,500,000	Gulf Coast shrimp aquaculture
-668,000	Curriculum development and strengthening, Mississippi Valley State University
-750,000	Center for Agricultural and Rural Development, Iowa
-1,000,000	Geographic information system pilot program
-500,000	Vocational aquaculture education curriculum
-400,000	Maize Genetics Research Center, University of North Dakota
-475,000	Herd management program, Tennessee State University
-250,000	Alternative Fuels Characterization Lab, University of North Dakota
<u>-7,543,000</u>	<u>TOTAL</u>

Prior funding has supported the initial development of these projects. Emphasis is placed on high priority national interest programs in the 1993 CSRS budget.

- (b) A decrease of \$1,250,000 for water quality research in Illinois and North Dakota. Prior funding has supported the initial development of these projects. Funding is requested for water quality under the Special Research Grants program, as part of the Federal government's water quality initiative, and these States may compete for these funds. Water quality research is also conducted through the National Research Initiative Competitive Grants program.
- (c) An increase of \$8,000 for the Agriculture in the Classroom program (\$208,000 available in 1992). In order to educate, inform, and bring about a better appreciation and understanding of American agriculture among the nation's young people, USDA established the "Ag in the Classroom" program. Administrative responsibility for the "Ag in the Classroom" program has been assigned to the Assistant Secretary for Science and Education. The number of State participants in the "Ag in the Classroom" program continues to grow leading to an increased demand for materials, newsletters, and other information. Increased funding is needed for the development, printing and distribution of this information to the States.

- (d) An increase of \$240,000 for peer panel costs. Cooperative State Research Service uses the peer panel review process to evaluate proposals submitted under the National Research Initiative, the Special Research Grants program, the Higher Education programs and the Small Business Innovation Research program. This request provides for the cost of travel and honoraria for the peer panel members. Additional peer panel costs are met through set-asides from program funds. Growth in the CSRS grants programs results in the need for more peer panels and these additional funds are needed for the increased costs associated with travel and honoraria for the peer panelists.
- (e) An increase of \$202,000 for pay costs which consists of \$116,000 for the annualization of the Fiscal Year 1992 pay raise and \$86,000 for partial Fiscal Year 1993 pay raise.
- (f) An increase of \$1,250,000 for the 1890 Institutions Capacity Building Grants Program (\$10,250,000 available in 1992).

Need for Change. Whereas there is an urgent need to train more minority scientists and professionals, the 1890 land-grant institutions and Tuskegee University are major producers of this sorely needed human capital. By strengthening the teaching and research infrastructure of these institutions, the Department can play a vital role in augmenting the development of minority expertise for food and agricultural sciences and businesses.

Nature of Change. The 1890 Institutions Capacity Building Grants Program serves as the crux of the Department's high priority initiative to advance the teaching and research capacity of the 1890 institutions and Tuskegee University. It is competitive and has encouraged matching funds from non-Federal sources, achieving a notable record of 100 percent match in FY 1991. Based on this success, matching is being built into the program as a requirement. It also requires cooperation with one or more USDA agencies in developing a proposal and in implementing and carrying out the capacity building project. This increase will provide support for additional projects each year as well as generate additional private and/or State support.

- (7) A net increase of \$1,000,000 for Higher Education programs (\$7,850,000 available in 1992) consisting of:
 - (a) An increase of \$500,000 for Higher Education - Pre-doctoral Graduate Fellowships Grants (\$3,500,000 available in 1992).

Need for Change. The viability of the U.S. food and agricultural system is threatened by a growing shortage of expertise. Since being launched in FY 1984, the USDA National Needs Graduate Fellowships Grants Program has achieved a superior record. It is currently estimated that with the \$3.5 million in the 1992 appropriation approximately 60 doctoral students can be recruited annually. Meanwhile, shortages of agricultural and food scientists have grown at a far greater rate. The 1991 update of "Employment Opportunities for College Graduates in the Food and Agricultural Sciences - 1990-1995" indicates that college graduates with expertise in food, agricultural, and natural resource disciplines will experience a strong employment market through the mid-1990's. More than 48,000 annual openings are projected for baccalaureate, Master's, and doctoral degree recipients. Slightly more than 43,500 new qualified graduates are expected each year, leaving an annual shortage of nearly 11 percent. However, an

annual 15 percent shortage is predicted for scientists, engineers, and related specialists. The Fellowships Program is targeted to those areas in which shortages of scientists are the most critical.

Nature of Change. An increase of \$0.5 million will raise the number of new fellows recruited each year to approximately 60 doctoral and 30 master's students. With this level of support, over the next decade the program will produce an additional 600 doctoral and nearly 300 master's graduates.

- (b) An increase of \$500,000 for Higher Education - Competitive Institution Challenge Grants (\$1,500,000 available in 1992).

Need for Change. Essential and critical agricultural courses and majors are threatened at many institutions because of fiscal constraints and/or low enrollment. This program serves a range of needs--to help rejuvenate the infrastructure of the U.S. food and agricultural sciences higher education system via grants to revitalize curriculum, reinvigorate faculty, improve participation of women and minority students, upgrade scientific instructional instrumentation, enrich undergraduate research, and recruit academically talented students. It brings much-needed closer working relationships between USDA and the Nation's universities while encouraging appreciable support from states and private sources via required matching of federal funds. The needs of the Nation's higher education system far exceed current funding, as exemplified by the superior proposals that cannot be funded each year. Furthermore, two areas that warrant increased funding from this program in FY 1993 are AG*SAT, an innovative delivery system for courses, and nutrition education.

Increasingly, there is the need to support specific worthy topical areas such as agribusiness management and marketing and nutrition, or courses delivered by unique means. These initiatives must be supported via one cost effective integrated program.

Nature of Change. Sponsorship of further courses taught via the national video network, AG*SAT, will enhance course offering across the country by the best instructors on topics where faculty are in limited supply and disseminate them widely. Similarly, efforts to internationalize the curricula and advance nutrition education will be supported via the increase.

Cooperative State Research Service
Summary of Proposed Legislation

SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

<u>Item of Change</u>	1993		
	<u>Current Law</u>	<u>Program Changes</u>	<u>Department's Request</u>
Payments under the Hatch Act ...	\$168,785,000	- -	\$168,785,000
Cooperative forestry research ..	15,754,000	- -	15,754,000
Payments to 1890 colleges and Tuskegee University	28,414,000	- -	28,414,000
Special research grants	33,368,000	- -	33,368,000
National research initiative competitive grants	150,000,000	- -	150,000,000
Animal health and disease research, Section 1433	- -	- -	- -
Federal administration (direct appropriation)	13,702,000	- -	13,702,000
Higher education	<u>8,850,000</u>	<u>-\$2,850,000</u>	<u>6,000,000</u>
Total available	<u>418,873,000</u>	<u>-2,850,000</u>	<u>416,023,000</u>

Explanation of Proposed Legislation

The Federal government has supported higher education in the food and agricultural sciences at land-grant institutions through a permanent appropriation in the Second Morrill Act of 1890. The funding level has remained at the \$50,000 level for each State and territory since 1912. The amount of funds per institution is so small by current day standards that the program has little impact on the quality of the higher education system.

In 1993 no funding is proposed for the Morrill Nelson permanent appropriation. Rather, funding for higher education is supported through three other programs. The Graduate Fellowship Grants program is proposed at a \$4 million funding level to support the recruitment and training for doctoral and master's students in targeted specializations characterized by shortages of expertise. Funding of \$2 million is proposed for the Challenge Grants Program to stimulate institutions to strengthen the quality of teaching programs in the food and agricultural sciences. The Capacity Building Grants Program for the 1890 institutions is proposed at \$11.5 million to strengthen teaching and research programs at these universities.

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Development Act (SBIR), Public Law 97-219, July 22, 1982, as amended by Public Law 99-443, October 6, 1986, was designed to strengthen the role of small, innovative firms in Federally funded research and development. It directs that small firms receive at least a fixed minimum percentage of research and development awards made by Federal agencies with sizable research and development budgets. Beginning in fiscal year 1986, and all subsequent fiscal years, 1.25 percent of an agency's extramural research budget is set aside for purposes of the SBIR Act.

<u>Agency</u>	<u>FY 1991 Estimate</u>	<u>FY 1992 Estimate</u>	<u>FY 1993 Estimate</u>
Agricultural Research Service	\$229,000	\$397,751	\$397,751
Agricultural Marketing Service	- -	15,625	12,737
Cooperative State Research Service	4,537,724	5,045,016	4,855,691
Economic Research Service	16,100	21,250	21,250
Forest Service	60,625	60,750	60,875
Human Nutrition Information Service	37,175	43,575	66,916
National Agricultural Statistics Service ...	3,912	2,312	2,312
Office of International Cooperation and Development	3,625	3,600	3,000
Total	4,888,161	5,589,879	5,420,532

The functions of the SBIR program, the solicitation, review and evaluation of proposals have been centralized in order to most effectively and efficiently serve the SBIR community. Eight research topic areas have been established:

1. Forests and Related Resources. Research proposals are solicited to develop environmentally sound techniques to increase productivity of forest land and to increase the utilization of materials and resources from forest lands.
2. Plant Production and Protection. Research proposals are solicited to examine means of enhancing crop production by reducing the impact of destructive agents, developing effective crop systems that are economically and environmentally sound, enhancing the impact of new methods of plant manipulation, and developing new crop plants and new uses for existing crops.
3. Animal Production and Protection. Research proposals are solicited to find ways to enable producers of food animals to increase production efficiency and to assure a reliable and safe supply of animal protein and other animal products while conserving resources and reducing production costs.
4. Air, Water and Soils. Research proposals are solicited to develop technologies for conserving soil, water and air resources while sustaining agricultural productivity.
5. Food Science and Nutrition. Research proposals are solicited to develop new knowledge and a better understanding of the characteristics of foods and their nutritional impact; to apply new knowledge to improve our foods and diets; and to apply new knowledge to the production of useful new food products, processes, materials, and systems, including application of nutritional information to consumer foods and food service systems.

6. Rural and Community Development. Research proposals are solicited to promote, foster, or improve the well-being of rural Americans.
7. Aquaculture. Research proposals are solicited to enhance the knowledge and technology base necessary for the continued growth of the domestic aquaculture industry as a form of production agriculture. Emphasis is placed on research leading to improved production efficiency and increased competitiveness of private sector aquaculture in the United States.
8. Industrial Applications. Research proposals are solicited to develop new or improved technologies that will lead to increased production of industrial products from agricultural materials.

TABLE 1
DISTRIBUTION OF FEDERAL PAYMENTS FOR RESEARCH AND EDUCATION AT STATE AGRICULTURAL EXPERIMENT
STATIONS AND OTHER STATE INSTITUTIONS - FISCAL YEAR 1991

STATE	HATCH ACT AS AMENDED			COOPERATIVE FORESTRY RESEARCH (MS)	1890 COLLEGE & TUITION UNIV. (CA)	ANIMAL HEALTH & DISEASE RESEARCH	SPECIAL RESEARCH GRANTS	NRI COMPETITIVE GRANTS	HIGHER EDUCATION GRANTS	FEDERAL ADMIN. DIRECT ATTROP.	FACILITIES	TOTAL FEDERAL FUNDS
	REGULAR FORMULA	REGIONAL PROGRAM	TOTAL									
ALABAMA	2,744,849	757,006	3,501,855	576,631	2,941,574	117,076	546,104	1,077,303	506,376	1,429,200	679,000	11,394,299
ALASKA	743,108	127,123	870,226	333,776	0	7,016	5,000	0	50,000	0	0	1,276,018
AMERICAN SAMOA	617,692	0	617,692	0	0	0	0	0	0	0	0	667,692
ARIZONA	1,027,319	672,164	1,699,483	245,464	0	54,999	358,316	1,864,445	266,000	0	0	4,488,707
ARKANSAS	2,363,744	663,445	3,027,189	477,281	1,256,700	82,601	2,667,685	79,000	157,777	309,331	4,751,000	12,847,624
CALIFORNIA	3,099,907	1,399,699	4,499,606	532,475	0	387,313	3,525,376	8,551,246	571,982	0	870,000	18,931,429
COLORADO	1,389,801	963,124	2,352,925	278,582	0	278,655	263,779	743,346	266,000	0	0	4,183,487
CONNECTICUT	1,166,334	449,319	1,614,653	201,309	0	20,764	409,202	66,000	50,000	0	0	2,445,928
DELAWARE	805,075	333,365	1,138,440	90,921	508,652	20,624	5,000	452,000	199,628	157,500	0	2,557,765
DIST. OF COLUMBIA	308,000	96,243	404,243	0	0	0	51,744	252,304	157,777	0	0	946,068
FLORIDA	1,951,993	610,779	2,562,772	510,398	1,053,840	150,026	1,700,716	1,876,410	319,777	714,600	2,609,300	11,497,839
GEORGIA	3,068,355	1,070,070	4,138,375	587,670	1,639,068	144,278	1,636,402	1,965,391	157,777	125,946	2,223,240	12,618,047
GUAM	642,504	108,849	751,353	0	0	0	264,200	0	50,000	0	0	1,065,553
HAWAII	798,749	340,850	1,139,599	124,037	0	7,482	2,877,511	180,000	50,000	2,405,988	5,504,750	12,289,367
IDaho	1,305,679	547,946	1,853,625	388,970	0	52,550	1,286,410	624,593	50,000	0	0	572,300
ILLINOIS	3,905,040	907,226	4,812,266	300,660	0	141,925	696,960	3,132,573	347,703	574,725	1,568,400	11,576,302
INDIANA	3,569,736	764,611	4,334,347	311,698	0	95,101	2,618,811	1,441,800	387,643	0	1,455,000	10,844,400
IOA	3,737,616	1,418,742	5,156,358	168,193	0	263,789	4,698,770	2,018,952	337,431	949,254	5,000,350	18,593,107
KANSAS	2,277,189	702,961	2,980,150	157,154	0	177,445	1,019,380	653,374	292,480	0	3,619,070	9,099,063
KENTUCKY	3,604,710	758,071	4,362,781	377,931	1,884,300	85,894	787,566	774,528	229,773	440,314	0	8,943,007
LOUISIANA	2,183,211	626,233	2,809,444	488,320	1,180,388	98,279	2,636,225	913,038	228,541	406,503	0	8,760,893
MAINE	1,139,949	464,479	1,604,428	521,437	0	18,235	609,179	234,500	50,000	0	152,200	3,190,009
MARYLAND	1,575,752	584,433	2,160,185	223,387	866,476	39,888	558,596	1,782,121	157,791	435,255	0	6,223,699
MASSACHUSETTS	1,377,581	570,484	1,948,065	234,426	0	36,812	1,369,073	1,779,000	50,000	0	0	5,417,376
MICHIGAN	3,591,582	817,094	4,408,676	499,356	0	93,986	5,747,986	2,207,650	428,000	0	0	13,385,574
MIDWEST	334,228	0	334,228	0	0	0	0	0	0	0	0	384,228
MINNESOTA	3,510,488	880,354	4,390,842	422,087	0	176,597	1,656,348	1,460,370	212,000	0	0	8,318,279
MISSISSIPPI	2,886,382	766,512	3,652,894	566,592	1,512,205	75,494	3,970,403	281,000	157,777	2,061,995	0	12,226,300
MISSOURI	3,392,775	716,763	4,109,538	344,815	1,787,377	161,697	1,555,047	1,800,599	319,777	115,954	0	10,194,904
MONTANA	1,232,972	593,506	1,826,478	366,892	0	69,131	737,400	601,000	50,000	0	1,212,500	4,659,401
NEBRASKA	2,107,795	813,375	2,921,170	135,076	0	106,347	2,831,958	550,777	199,852	0	4,365,000	11,180,180
NEVADA	735,893	324,959	1,060,852	57,804	0	25,672	80,000	451,000	50,000	0	0	1,725,328
NEW HAMPSHIRE	922,119	334,062	1,256,181	267,543	0	9,849	5,000	185,900	50,000	0	0	1,774,473
NEW JERSEY	1,354,557	1,119,768	2,474,325	190,271	0	24,477	894,465	1,084,186	50,000	0	2,467,600	7,105,404
NEW MEXICO	1,068,929	357,536	1,426,465	212,348	0	38,722	1,216,160	82,000	50,000	0	0	3,015,605
NEW YORK	3,437,093	1,397,682	4,834,775	554,553	0	292,726	2,560,010	5,938,757	266,000	0	0	15,446,821
NORTH CAROLINA	4,650,611	1,085,542	5,736,153	543,514	2,364,066	114,639	451,427	2,488,628	341,777	714,599	3,494,910	16,249,713
NORTH DAKOTA	1,560,283	540,108	2,100,396	68,843	0	54,998	2,239,001	170,000	535,000	1,053,662	5,240,910	11,462,800
NORTHERN MARIANAS	519,273	0	519,273	0	0	0	0	0	50,000	0	0	509,273
OHIO	4,261,626	869,503	5,131,129	327,737	0	119,797	1,986,485	2,181,900	158,000	0	0	9,900,018
OKLAHOMA	2,170,373	544,365	2,714,738	289,620	1,197,903	122,968	1,050,786	573,000	626,368	0	0	6,912,170
OREGON	1,630,447	840,604	2,471,051	609,748	0	96,173	3,731,599	1,224,439	158,000	0	0	8,289,870
PENNSYLVANIA	4,229,588	1,137,692	5,367,275	411,048	0	151,543	1,335,409	1,686,883	92,520	0	582,000	9,628,674

TABLE 1
DISTRIBUTION OF FEDERAL PAYMENTS FOR RESEARCH AND EDUCATION AT STATE AGRICULTURAL
EXPERIMENT STATIONS AND OTHER STATE INSTITUTIONS - FISCAL YEAR 1991

STATE	HATCH ACT AS AMENDED			COOPERATIVE FORESTRY RESEARCH (N6)	1890 COLLEGE & TUSSGEE UNIV. (EA)	ANIMAL HEALTH & DISEASE RESEARCH	SPECIAL RESEARCH GRANTS	NRI COMPETITIVE GRANTS	HIGHER EDUCATION GRANTS	FEDERAL ADMIN. DIRECT ATTROP.	FACILITIES	TOTAL FEDERAL FUNDS
	REGULAR FORMULA	REGIONAL PROGRAM	TOTAL									
PUERTO RICO	3,086,357	674,077	3,710,434	79,882	0	13,418	382,881	0	50,000	0	0	4,236,615
RUDE ISLAND	738,984	345,917	1,084,901	112,998	0	6,383	125,000	242,960	50,000	0	1,846,880	3,469,122
SOUTH CAROLINA	2,383,308	625,171	3,008,479	444,165	1,278,291	24,493	653,101	463,217	157,777	314,923	0	6,344,446
SOUTH DAKOTA	1,608,998	544,705	2,148,708	101,950	0	97,899	249,181	156,854	50,000	0	1,910,900	4,715,497
TENNESSEE	3,450,282	775,088	4,225,366	400,009	1,798,889	66,174	294,474	957,000	157,777	943,675	240,550	9,082,873
TEXAS	4,474,282	1,102,553	5,576,835	455,204	2,347,436	390,811	2,105,002	3,623,168	395,755	314,991	3,634,590	18,843,792
UTAH	980,897	612,575	1,593,472	146,115	0	48,355	180,970	431,208	107,074	0	271,600	2,728,789
VERMONT	978,167	308,413	1,281,580	256,504	0	16,245	1,760,804	388,000	50,000	0	360,840	4,108,973
VIRGIN ISLANDS	628,611	108,448	737,059	46,765	0	0	155,943	0	50,000	0	0	989,767
VIRGINIA	2,944,910	733,163	3,678,073	466,242	1,548,265	105,288	302,919	690,000	157,777	1,829,002	890,460	9,668,026
WASHINGTON	1,857,688	1,411,500	3,269,188	598,709	0	163,528	3,358,186	2,613,544	120,366	0	1,173,700	11,297,221
WEST VIRGINIA	1,865,981	486,796	2,352,777	355,854	0	11,441	707,888	313,634	50,000	0	0	3,791,594
WISCONSIN	3,519,398	905,704	4,425,097	433,126	0	185,411	571,669	3,991,207	159,528	0	2,522,000	12,288,058
WYOMING	875,107	473,535	1,348,642	179,232	0	39,184	33,914	688,100	50,000	0	0	2,339,072
OTHER	0	208,500	208,500	0	36,800	0	432,057	0	0	0	0	677,367
SWALL BUSINESS SET-ASIDE	1,497,506	473,241	1,970,747	216,068	319,445	66,612	989,677	876,000	0	149,175	0	4,537,724
SUBTOTAL	\$119,800,508	\$7,859,313	\$157,659,821	\$17,286,400	\$25,555,620	\$5,328,950	\$75,174,140	\$70,080,000	\$10,125,000	\$16,072,900	\$59,219,470	\$436,501,311
UNOBLIGATED BAL.	0	0	0	0	0	0	0	0	0	0	5,069,220	5,069,220
SUBTOTAL	\$119,800,508	\$7,859,313	\$157,659,821	\$17,286,400	\$25,555,620	\$5,328,950	\$75,174,140	\$70,080,000	\$10,125,000	\$16,072,900	\$64,288,690	\$441,570,531
FEDERAL ADMIN. UNOBLIGATED BAL. DEFICIT REDUCTION			4,630,498	534,358	790,088	221,968	2,953,846	2,919,051	224,902	1,859,867	2,230,713	16,435,246
			576	0	0	0	0	0	0	0	161,780	162,356
			2,110	232	342	72	1,014	949	98	233	817	5,867
SUBTOTAL	\$0	\$0	\$4,633,179	\$534,600	\$790,380	\$222,040	\$2,964,850	\$2,920,000	\$225,000	\$1,860,100	\$2,453,310	\$16,608,469
TOTAL	119,800,508	37,859,313	162,299,000	17,820,000	26,346,000	5,551,000	78,139,000	73,000,000	10,350,000	17,933,000	66,742,000	458,174,000

Table 2
Payments to State Agricultural Experiment Stations under the Hatch Act

	FY 1991 Actual			FY 1992 Estimate			FY 1993 Estimate		
State	Regular : Formula	Regional : Research	Total	Regular : Formula	Regional : Research	Total	Regular : Formula	Regional : Research (a)	Total
Alabama	\$2,744,849	\$757,006	\$3,501,855	\$2,823,594	\$789,802	\$3,613,396	\$2,823,594	789,802	3,613,396
Alaska	743,108	127,123	870,226	766,968	134,780	901,748	766,968	134,780	901,748
American Samoa	617,832	0	617,832	640,672	0	640,672	640,672	0	640,672
Arizona	1,027,319	672,164	1,699,483	1,060,897	712,661	1,773,558	1,060,897	712,661	1,773,558
Arkansas	2,363,744	663,445	3,027,189	2,435,828	692,186	3,126,014	2,435,828	692,186	3,126,014
California	3,093,907	1,399,089	4,492,996	3,209,660	1,468,805	4,678,465	3,209,660	1,468,805	4,678,465
Colorado	1,389,801	963,124	2,352,925	1,437,852	1,018,699	2,456,551	1,437,852	1,018,699	2,456,551
Connecticut ..	1,165,334	449,319	1,614,653	1,202,512	469,159	1,671,671	1,202,512	469,159	1,671,671
Delaware	1,005,075	333,365	1,338,440	881,295	350,950	1,232,245	881,295	350,950	1,232,245
Dist. of Col.	388,000	96,243	484,243	520,580	101,322	621,902	520,580	101,322	621,902
Florida	1,951,993	610,779	2,562,772	2,033,468	627,849	2,661,317	2,033,468	627,849	2,661,317
Georgia	3,068,355	1,070,020	4,138,375	3,174,753	1,111,310	4,286,063	3,174,753	1,111,310	4,286,063
Guam	642,504	108,849	751,353	663,462	115,406	778,868	663,462	115,406	778,868
Hawaii	798,749	340,850	1,139,599	822,086	361,383	1,183,469	822,086	361,383	1,183,469
Idaho	1,305,679	547,946	1,853,625	1,352,792	561,874	1,914,666	1,352,792	561,874	1,914,666
Illinois	3,906,040	907,226	4,813,266	4,046,425	949,078	4,995,503	4,046,425	949,078	4,995,503
Indiana	3,569,736	764,611	4,334,347	3,705,134	799,882	4,505,016	3,705,134	799,882	4,505,016
Iowa	3,737,616	1,418,742	5,156,358	3,882,702	1,472,123	5,354,825	3,882,702	1,472,123	5,354,825
Kansas	2,277,189	702,961	2,980,150	2,358,680	735,391	3,094,071	2,358,680	735,391	3,094,071
Kentucky	3,604,710	758,071	4,362,781	3,727,809	790,911	4,518,720	3,727,809	790,911	4,518,720
Louisiana	2,188,211	626,293	2,809,444	2,248,790	663,360	2,902,150	2,248,790	663,360	2,902,150
Maine	1,139,949	464,479	1,604,428	1,178,923	488,981	1,667,904	1,178,923	488,981	1,667,904
Maryland	1,575,752	584,433	2,160,185	1,627,469	615,264	2,242,733	1,627,469	615,264	2,242,733
Massachusetts ..	1,377,581	570,484	1,948,065	1,421,367	604,678	2,026,045	1,421,367	604,678	2,026,045
Michigan	3,591,582	817,094	4,408,676	3,719,935	842,234	4,562,169	3,719,935	842,234	4,562,169
Micronesia	334,228	0	334,228	674,731	0	674,731	674,731	0	674,731
Minnesota	3,510,488	880,354	4,390,842	3,641,439	881,367	4,522,806	3,641,439	881,367	4,522,806
Mississippi	2,836,382	765,512	3,601,894	2,908,664	798,674	3,707,338	2,908,664	798,674	3,707,338
Missouri	3,392,775	716,763	4,109,538	3,521,904	749,828	4,271,732	3,521,904	749,828	4,271,732
Montana	1,232,972	595,506	1,828,478	1,276,212	629,265	1,905,477	1,276,212	629,265	1,905,477
Nebraska	2,107,795	813,375	2,921,170	2,185,273	850,898	3,036,171	2,185,273	850,898	3,036,171
Nevada	735,893	324,959	1,060,852	760,057	344,537	1,104,594	760,057	344,537	1,104,594
New Hampshire ..	922,119	334,062	1,256,181	956,153	351,688	1,307,836	956,153	351,688	1,307,836
New Jersey	1,354,557	1,119,768	2,474,325	1,397,757	1,167,181	2,564,938	1,397,757	1,167,181	2,564,938
New Mexico	1,058,929	357,536	1,416,465	1,089,079	379,077	1,472,156	1,089,079	379,077	1,472,156
New York	3,437,038	1,397,682	4,834,720	3,553,624	1,451,425	5,005,049	3,553,624	1,451,425	5,005,049
North Carolina ..	4,650,611	1,085,542	5,736,153	4,794,697	1,132,569	5,927,266	4,794,697	1,132,569	5,927,266
North Dakota ..	1,560,283	540,108	2,100,391	1,613,189	565,021	2,178,210	1,613,189	565,021	2,178,210
N. Marianas	519,273	0	519,273	627,471	0	627,471	627,471	0	627,471
Ohio	4,261,626	869,508	5,131,129	4,415,433	909,617	5,325,050	4,415,433	909,617	5,325,050
Oklahoma	2,170,373	544,365	2,714,738	2,246,695	567,947	2,814,642	2,246,695	567,947	2,814,642
Oregon	1,630,447	840,604	2,471,051	1,689,316	891,248	2,580,564	1,689,316	891,248	2,580,564
Pennsylvania	4,229,583	1,137,692	5,367,275	4,374,895	1,156,372	5,531,267	4,374,895	1,156,372	5,531,267
Puerto Rico	3,086,357	674,077	3,760,434	3,088,963	708,279	3,792,242	3,088,963	708,279	3,792,242
Rhode Island ..	738,984	345,917	1,084,901	761,965	364,165	1,126,130	761,965	364,165	1,126,130
South Carolina ..	2,383,308	625,171	3,008,479	2,453,198	652,253	3,105,446	2,453,198	652,253	3,105,446
South Dakota ..	1,603,998	544,705	2,148,703	1,660,429	569,881	2,230,310	1,660,429	569,881	2,230,310
Tennessee	3,450,282	775,083	4,225,365	3,558,898	808,659	4,367,557	3,558,898	808,659	4,367,557
Texas	4,474,282	1,102,553	5,576,835	4,641,628	1,150,315	5,791,943	4,641,628	1,150,315	5,791,943
Utah	980,897	612,575	1,593,472	960,170	649,482	1,609,652	960,170	649,482	1,609,652
Vermont	978,167	308,413	1,286,580	1,011,179	308,367	1,319,546	1,011,179	308,367	1,319,546
Virgin Islands ..	628,611	108,448	737,059	649,440	113,146	762,586	649,440	113,146	762,586
Virginia	2,944,910	733,163	3,678,073	3,087,124	739,883	3,777,007	3,087,124	739,883	3,777,007
Washington	1,857,688	1,411,500	3,269,188	1,924,804	1,366,135	3,290,939	1,924,804	1,366,135	3,290,939
West Virginia ..	1,865,981	486,796	2,352,777	1,918,705	512,476	2,431,181	1,918,705	512,476	2,431,181
Wisconsin	3,519,393	905,704	4,425,097	3,650,341	946,473	4,596,814	3,650,341	946,473	4,596,814
Wyoming	875,107	473,535	1,348,642	908,131	502,053	1,405,194	908,131	502,053	1,405,194
Other	0	208,500	208,500	0	215,700	215,700	0	215,700	215,700
SUBTOTAL	118,308,002	37,386,072	155,694,074	122,844,212	38,897,024	161,741,236	122,844,212	38,897,024	161,741,236
Federal Admin.	0	0	4,630,498	0	0	4,627,939	0	0	4,627,939
Unoblig. Bal.	0	0	576	0	0	0	0	0	0
Deficit	0	0	0	0	0	0	0	0	0
Reduction	0	0	2,110	0	0	0	0	0	0
Small Business ..	0	0	0	0	0	0	0	0	0
Set-Aside	1,497,506	473,241	1,970,747	1,555,934	498,529	2,049,463	1,555,934	498,529	2,049,463
Biotech. Risk ..	0	0	0	0	0	0	0	0	0
Assessment	0	0	0	74,602	23,663	98,265	74,602	23,663	98,265
Contingency	0	0	0	0	68,097	68,097	0	68,097	68,097
TOTAL	119,805,508	37,859,313	157,664,821	124,474,748	39,482,315	163,957,063	124,474,748	39,482,313	163,957,061

(a) Final distribution will be determined at a later date by a statutory committee authorized in the Hatch Act.

Table 3
Distribution of Funds under the McIntire-Stennis Cooperative
Forestry Research Act
(In Dollars)

<u>State/Recipient</u>	<u>Fiscal Year 1991 Actual</u>	<u>Fiscal Year 1992 Estimate</u>	<u>Fiscal Year 1993 Estimate</u>
ALABAMA			
Agricultural Experiment Station, Auburn University	\$576,631	\$601,060	\$507,181
ALASKA			
Agricultural Experiment Station, University of Alaska	333,776	358,979	304,528
AMERICAN SAMOA			
American Samoa Community College	0	0	0
ARIZONA			
Agricultural Experiment Station, University of Arizona	122,732	127,615	108,839
School of Forestry, Northern Arizona University	122,732	127,615	108,839
ARKANSAS			
Agricultural Experiment Station, Univ. of Arkansas	477,281	508,839	429,980
CALIFORNIA			
Agricultural Experiment Station, Univ. of California	425,980	443,959	374,864
Department of Forestry, California State Univ., Humboldt	79,871	88,242	70,287
California Polytechnic State University	26,624	27,747	23,429
COLORADO			
College of Forestry and Natural Resources, Colorado State Univ.	278,582	266,758	227,327
CONNECTICUT			
Agricultural Experiment Station, New Haven	150,982	139,548	119,832
Agricultural Experiment Station, Univ. of Connecticut, Storrs .	50,327	46,516	39,944
DELAWARE			
Agricultural Experiment Station, University of Delaware	90,921	93,843	82,576
FLORIDA			
Agricultural Experiment Station, University of Florida	510,398	531,894	449,280
GEORGIA			
School of Forest Resources, University of Georgia	587,670	612,588	516,831
GUAM			
Agricultural Experiment Station, University of Guam	0	0	0
HAWAII			
Agricultural Experiment Station, University of Hawaii	124,037	128,426	111,526
IDAH0			
College of Forestry, University of Idaho	388,970	405,090	343,129
ILLINOIS			
Agricultural Experiment Station, University of Illinois	150,330	156,434	132,964
Department of Forestry, Southern Illinois University	150,330	156,434	132,964
INDIANA			
Agricultural Experiment Station, Purdue University	311,698	324,396	275,578
IOWA			
Agriculture & Home Economics Experiment Sta., Iowa State Univ.	168,193	197,592	169,427
KANSAS			
Agricultural Experiment Station, Kansas State University	157,154	163,009	140,476
KENTUCKY			
Agricultural Experiment Station, University of Kentucky	377,931	382,034	323,829
LOUISIANA			
Agricultural Experiment Station, Louisiana State University ...	341,824	364,256	307,741
School of Forestry, Louisiana Tech University	146,496	156,110	131,889
MAINE			
Agricultural Experiment Station, University of Maine	521,437	543,422	458,930
MARYLAND			
Agricultural Experiment Station, University of Maryland	223,387	220,647	188,727
MASSACHUSETTS			
Agricultural Experiment Station, University of Massachusetts ..	234,426	232,175	198,377

State/Recipient	Fiscal Year 1991 Actual	Fiscal Year 1992 Estimate	Fiscal Year 1993 Estimate
MICHIGAN			
Agricultural Experiment Station, Michigan State University	166,452	165,770	140,110
School of Natural Resources, University of Michigan	166,452	165,770	140,110
Department of Forestry, Michigan Technological University	166,452	165,770	140,109
MICRONESIA			
College of Micronesia	0	0	0
MINNESOTA			
Agricultural Experiment Station, University of Minnesota	\$422,087	\$439,673	\$372,079
MISSISSIPPI			
School of Forest Resources, Mississippi State University	565,592	578,005	487,881
MISSOURI			
Agricultural Experiment Station, University of Missouri	344,815	347,451	294,878
MONTANA			
School of Forestry, University of Montana	366,892	393,562	333,479
NEBRASKA			
Agricultural Experiment Station, University of Nebraska	135,076	139,954	121,176
NEVADA			
Agricultural Experiment Station, University of Nevada	57,804	59,260	53,625
NEW HAMPSHIRE			
Agricultural Experiment Station, University of New Hampshire ..	267,543	301,341	256,278
NEW JERSEY			
Agricultural Experiment Station, Rutgers University	190,271	174,537	150,127
NEW MEXICO			
Agricultural Experiment Station, New Mexico State University ..	212,348	209,120	179,077
NEW YORK			
Agricultural Experiment Station, Cornell University	138,638	147,383	124,383
College of Environmental Science and Forestry, State University of New York	415,915	442,149	373,148
NORTH CAROLINA			
School of Forest Resources, North Carolina State University ...	543,514	566,477	478,230
NORTH DAKOTA			
Agricultural Experiment Station, North Dakota State University	68,843	70,788	63,276
OHIO			
Agricultural Experiment Station, Ohio State University	322,737	335,924	285,228
OKLAHOMA			
Agricultural Experiment Station, Oklahoma State University	289,620	289,813	246,628
OREGON			
School of Forestry, Oregon State University	609,748	635,643	536,131
PENNSYLVANIA			
Agricultural Experiment Station, Pennsylvania State University	411,048	451,200	381,729
PUERTO RICO			
Agricultural Experiment Station, University of Puerto Rico	79,882	82,315	72,926
RHODE ISLAND			
Agricultural Experiment Station, University of Rhode Island ...	112,998	105,371	92,226
SOUTH CAROLINA			
College of Forest and Recreation Resources, Clemson University	444,165	462,728	391,379
SOUTH DAKOTA			
Agricultural Experiment Station, South Dakota State University	101,960	116,898	101,876
TENNESSEE			
Agricultural Experiment Station, University of Tennessee	400,009	416,617	352,779
TEXAS			
Agricultural Experiment Station, Texas A&M University	227,602	237,128	200,515
School of Forestry, Stephen F. Austin State University	227,602	237,128	200,515
UTAH			
College of Natural Resources, Utah State University	146,115	151,481	130,826
VERMONT			
School of Natural Resources, University of Vermont	256,504	278,285	236,978
VIRGIN ISLANDS			
Agricultural Experiment Station, Univ. of the Virgin Islands ..	46,765	47,734	43,975

<u>State/Recipient</u>	<u>Fiscal Year 1991 Actual</u>	<u>Fiscal Year 1992 Estimate</u>	<u>Fiscal Year 1993 Estimate</u>
VIRGINIA			
School of Forestry and Wildlife Resources, Virginia Polytechnic Institute and State University	466,242	485,783	410,680
WASHINGTON			
Agricultural Experiment Station, Washington State University ..	269,419	280,852	289,565
College of Forest Resources, University of Washington	329,290	343,263	236,916
WEST VIRGINIA			
Agricultural Experiment Station, West Virginia University	355,854	370,507	314,178
WISCONSIN			
Agricultural Experiment Station, University of Wisconsin	433,126	428,145	362,429
WYOMING			
Agricultural Experiment Station, University of Wyoming	179,232	220,647	208,027
Subtotal	17,069,332	17,744,700	15,082,766
Federal administration (3%)	534,600	555,990	472,620
Small Business Act	216,068	224,713	191,017
Biotechnology Risk Assessment	0	7,597	7,597
Total	17,820,000	18,533,000	15,754,000

Table 4

Evans-Allen Payments to 1890 Colleges and Tuskegee University
Under Section 1445, Public Law 95-113, As Amended
(In Dollars)

	Fiscal Year 1991 Actual	Fiscal Year 1992 Estimate	Fiscal Year 1993 Estimate
ALABAMA			
Alabama A&M University	\$1,480,502	\$1,531,325	\$1,580,413
Tuskegee University	1,461,072	1,511,897	1,560,986
ARKANSAS			
University of Arkansas--Pine Bluff..	1,295,700	1,343,239	1,389,128
DELAWARE			
Delaware State College	503,652	519,923	535,651
FLORIDA			
Florida A&M University	1,053,840	1,104,140	1,152,870
GEORGIA			
Fort Valley State College	1,639,068	1,706,998	1,772,701
KENTUCKY			
Kentucky State University	1,884,300	1,967,414	2,047,611
LOUISIANA			
Southern University	1,180,383	1,222,218	1,262,616
MARYLAND			
University of Maryland--Eastern Shore	866,476	899,280	930,977
MISSISSIPPI			
Alcorn State University	1,512,205	1,559,116	1,604,442
MISSOURI			
Lincoln University	1,787,377	1,875,170	1,959,900
NORTH CAROLINA			
North Carolina A&T State University.	2,364,066	2,457,545	2,547,860
OKLAHOMA			
Langston University	1,197,903	1,248,580	1,297,505
SOUTH CAROLINA			
South Carolina State College.....	1,278,291	1,322,301	1,364,857
TENNESSEE			
Tennessee State University	1,798,839	1,870,634	1,939,972
TEXAS			
Prairie View A&M College	2,347,436	2,456,971	2,562,864
VIRGINIA			
Virginia State College	1,548,265	1,608,002	1,665,685
CRIS	36,800	38,100	38,100
Subtotal	25,236,175	26,242,853	27,214,138
Federal Administration (3%)	790,380	822,000	852,420
Small Business Set-Aside	319,445	332,225	344,520
Biotechnology Risk Assessment	0	2,922	2,922
TOTAL	26,346,000	27,400,000	28,414,000

Table 5
Distribution of Funds for Animal Health and Disease Research
Section 1433, P.L. 95-113
(In Dollars)

State/Recipient	Fiscal Year 1991 Actual	Fiscal Year 1992 Est.
ALABAMA		
Agricultural Experiment Station, Auburn University	\$46,300	\$45,739
School of Veterinary Medicine, Auburn University	63,792	67,242
School of Veterinary Medicine, Tuskegee University	6,984	3,885
ALASKA		
Agricultural Experiment Station, University of Alaska	7,016	6,093
ARIZONA		
Agricultural Experiment Station, University of Arizona	54,999	54,197
ARKANSAS		
Agricultural Experiment Station, University of Arkansas	82,601	83,591
CALIFORNIA		
Agricultural Experiment Station, Univ. of California, Berkeley.	225,390	214,440
School of Veterinary Medicine, University of California, Davis.	161,923	198,768
COLORADO		
Agricultural Experiment Station and College of Veterinary Medicine, Colorado State University	278,855	299,457
CONNECTICUT		
Agricultural Experiment Station, Univ. of Connecticut, Storrs .	20,764	19,007
DELAWARE		
Agricultural Experiment Station, University of Delaware	20,624	20,987
FLORIDA		
Agricultural Experiment Station, University of Florida	65,484	68,159
College of Veterinary Medicine, University of Florida	84,542	71,485
GEORGIA		
Agricultural Experiment Station, University of Georgia	22,931	21,891
College of Veterinary Medicine, University of Georgia	121,347	123,414
HAWAII		
Agricultural Experiment Station, University of Hawaii	7,482	7,205
IDAHO		
Agricultural Experiment Station, University of Idaho	40,639	47,707
College of Veterinary Medicine, University of Idaho	11,911	0
ILLINOIS		
Agricultural Experiment Station and College of Veterinary Medicine, University of Illinois	141,925	137,310
INDIANA		
Agricultural Experiment Station and School of Veterinary Medicine, Purdue University	95,101	91,140
IOWA		
Agriculture & Home Economics Experiment Sta., Iowa State Univ.	46,148	45,194
College of Veterinary Medicine, Iowa State University	217,641	211,807
KANSAS		
Agricultural Experiment Station and College of Veterinary Medicine, Kansas State University	177,445	186,344
KENTUCKY		
Agricultural Experiment Station, University of Kentucky	85,894	83,239
LOUISIANA		
Agricultural Experiment Station, Louisiana State University ...	56,093	58,602
School of Veterinary Medicine, Louisiana State University	42,186	46,620
MAINE		
Agricultural Experiment Station, University of Maine	18,235	19,959
MARYLAND		
Agricultural Experiment Station, University of Maryland	39,888	38,490

State/Recipient	Fiscal Year 1991 Actual	Fiscal Year 1992 Est.
MASSACHUSETTS		
Agricultural Experiment Station, University of Massachusetts ..	\$10,188	\$9,499
School of Veterinary Medicine, Tufts University	26,624	25,358
MICHIGAN		
Agricultural Experiment Station and College of Veterinary Medicine, Michigan State University	93,986	83,215
MINNESOTA		
Agricultural Experiment Station, University of Minnesota	77,844	76,428
College of Veterinary Medicine, University of Minnesota	98,753	102,448
MISSISSIPPI		
Agricultural and Forestry Experiment Station and College of Veterinary Medicine, Mississippi State University	75,494	75,627
MISSOURI		
Agricultural Experiment Station, University of Missouri	63,259	61,401
College of Veterinary Medicine, University of Missouri	98,438	97,621
MONTANA		
Agricultural Experiment Station, Montana State University	69,131	70,382
NEBRASKA		
Agricultural Experiment Station, University of Nebraska	186,347	193,546
NEVADA		
Agricultural Experiment Station, University of Nevada	25,672	25,464
NEW HAMPSHIRE		
Agricultural Experiment Station, University of New Hampshire ..	9,849	9,692
NEW JERSEY		
Agricultural Experiment Station, Rutgers University	24,477	22,446
NEW MEXICO		
Agricultural Experiment Station, New Mexico State University ..	38,722	38,674
NEW YORK		
Agricultural Experiment Station, Cornell University	71,479	59,478
College of Veterinary Medicine, Cornell University	221,247	195,377
NORTH CAROLINA		
Agricultural Experiment Station, North Carolina State University	114,639)	99,512
College of Veterinary Medicine, North Carolina State University	)	6,640
NORTH DAKOTA		
Agricultural Experiment Station, North Dakota State University	54,998	52,992
OHIO		
Ohio Agricultural Research and Dev. Center, Ohio State Univ. ..	87,816	80,031
College of Veterinary Medicine, Ohio State University	31,981	38,065
OKLAHOMA		
Agricultural Experiment Station and College of Veterinary Medicine, Oklahoma State University	122,968	134,321
OREGON		
Agricultural Experiment Station, Oregon State University	71,600	74,382
School of Veterinary Medicine, Oregon State University	23,523	17,453
PENNSYLVANIA		
Agricultural Experiment Station, Pennsylvania State Univ.	66,559	57,215
School of Veterinary Medicine, University of Pennsylvania	84,984	87,404
PUERTO RICO		
Agricultural Experiment Station, University of Puerto Rico	13,418	13,191
RHODE ISLAND		
Agricultural Experiment Station, University of Rhode Island ...	6,383	6,794
SOUTH CAROLINA		
Agricultural Experiment Station, Clemson University	24,498	25,177
SOUTH DAKOTA		
Agricultural Experiment Station, South Dakota State University	97,899	98,704
TENNESSEE		
Agricultural Experiment Station and College of Veterinary Medicine, University of Tennessee	65,174	64,921

<u>State/Recipient</u>	<u>Fiscal Year 1991 Actual</u>	<u>Fiscal Year 1992 Est.</u>
TEXAS		
Agricultural Experiment Station and College of Veterinary Medicine, Texas A&M University	\$390,811	\$405,461
UTAH		
Agricultural Experiment Station, Utah State University	48,355	52,829
VERMONT		
Agricultural Experiment Station, University of Vermont	16,245	14,051
VIRGINIA		
Agricultural Experiment Station and College of Veterinary Medicine, Virginia Polytechnic Institute and State Univ.	105,288	94,293
WASHINGTON		
Agricultural Experiment Station, Washington State Univ.	35,870	31,897
College of Veterinary Medicine, Washington State Univ.	127,658	145,036
WEST VIRGINIA		
Agricultural & Forestry Experiment Station, West Virginia Univ.	11,441	11,991
WISCONSIN		
Agricultural Experiment Station and College of Veterinary Medicine, University of Wisconsin	185,411	184,027
WYOMING		
Agricultural Experiment Station, University of Wyoming	39,184	37,655
Subtotal	<u>5,252,348</u>	<u>5,252,680</u>
Federal administration	222,040	222,040
Small Business Act	66,612	66,612
Biotechnology Risk Assessment	0	9,668
Total	<u><u>5,551,000</u></u>	<u><u>5,551,000</u></u>

Table 6
National Research Initiative Competitive Grants Program
Proposals Submitted and Grants Awarded in Fiscal Year 1991

	Proposals Received	Dollars Requested	Grants Awarded	Dollars Awarded
Natural Resources and the Environment				
Plant Responses to the Environment	218	\$44,587,112	44	\$5,134,900
Forest/Rangeland/Crop Ecosystems	134	30,010,243	16	2,682,600
Water Quality	157	38,147,743	24	2,979,400
Wood Utilization	119	17,364,138	20	1,900,000
UV-B Monitoring	8	4,571,408	2	575,100
Subtotal	636	134,680,644	106	13,272,000
Nutrition & Food Safety				
Human Nutrient Requirements	112	25,047,831	22	2,592,000
Food Safety	67	12,447,086	8	1,200,000
Subtotal	179	37,494,917	30	3,792,000
Animal Systems				
Brucellosis	11	2,575,673	3	450,300
Reproductive Biology	165	40,405,672	31	4,874,000
Animal Diseases	327	84,882,588	46	7,799,300
Animal Molecular Genetics	56	17,123,361	11	1,340,000
Cellular Growth/Development	173	51,118,628	26	4,496,400
Subtotal	732	196,105,922	117	18,960,000
Plant Systems				
Plant Genome/Plant Genetics	254	87,551,985	78	10,465,525
Plant Pests	272	51,158,557	60	6,575,000
Plant Pathology/Weeds	233	45,923,257	71	5,415,000
Plant Growth/Development	195	41,401,660	54	4,910,000
Nitrogen Fixation	75	16,876,242	29	2,277,049
Photosynthesis	75	15,364,771	33	2,330,800
Soybean	17	537,145	5	467,364
Alcohol Fuels	32	6,909,595	4	487,272
Forest/Rangeland/Crop Ecosystems	13	2,823,709	3	251,990
Subtotal	1,166	268,546,921	337	33,180,000
TOTAL	2,713	636,828,404	590	69,204,000
	Proposals Received	Dollars Requested	Grants Awarded	Dollars Awarded
1862 Land-Grant Universities	1,738	\$406,998,625	411	\$47,246,723
1890 Land-Grant Universities	39	8,396,496	0	0
Private Universities	134	37,909,904	36	4,991,368
Public Universities	312	76,757,565	57	7,508,868
Other Federal Laboratories	23	3,842,941	3	251,000
USDA/ARS	177	35,259,601	29	3,435,717
Private Non-Profit	79	22,378,852	27	2,296,960
Private Profit	11	2,999,946	1	150,000
State and Local Agencies	3	826,634	1	125,558
Veterinary Schools & Colleges	145	36,560,227	14	2,389,600
Other	52	4,897,613	11	808,206
TOTAL	2,713	636,828,404	590	69,204,000

Table 7
National Research Initiative Competitive Grants
Fiscal Year 1991 Recipients
(In Dollars)

State/Recipient -----	Fiscal Year 1991 Actual -----
ALABAMA	
Auburn University	\$787,383
University of Alabama, Birmingham	180,000
University of South Alabama	130,000
ARIZONA	
University of Arizona	1,484,445
Arizona State University	200,000
Northern Arizona University	180,000
ARKANSAS	
University of Arkansas	79,000
CALIFORNIA	
University of California, Davis	3,620,993
University of California, Berkeley	909,000
University of California, Santa Barbara	105,000
University of California, San Diego	75,000
University of California, Santa Cruz	92,000
University of California, Irvine	210,000
University of California, Riverside	1,103,392
University of California, Los Angeles	335,000
San Francisco State University	117,755
The Salk Institute for Biological Studies	208,000
Forest Service, Pacific SW Forest & Range Experiment Station ..	70,000
USDA, ARS Pacific West Area	845,000
Stanford University	140,000
Palo Alto Medical Foundation	205,000
Research Institute of Scripps Clinic	118,000
California Institute of Biological Research	100,000
David M. Speiser	90,374
Gary F. Peter	70,000
Tammy M. Sakanashi	66,732
Nancy M. Kerk	70,000
COLORADO	
Colorado State University	623,346
USDA, ARS Northern Plains Area	120,000
CONNECTICUT	
Connecticut Agricultural Experiment Station	66,000
DELAWARE	
University of Delaware	302,000
E. I. Du Pont de Nemours & Company	150,000
DISTRICT OF COLUMBIA	
Georgetown University	152,304
Carnegie Institution of Washington	100,000
FLORIDA	
University of Florida	1,796,410
University of South Florida	80,000
GEORGIA	
University of Georgia	955,895
Emory University	270,000
USDA, ARS South Atlantic Area	669,496
Margaret T. Hoey	70,000

State/Recipient -----	Fiscal Year 1991 Actual -----
HAWAII	
University of Hawaii	180,000
IDAHO	
University of Idaho	624,593
ILLINOIS	
University of Illinois	1,694,309
University of Chicago	227,043
Southern Illinois University	75,000
Northwestern University	340,000
USDA, ARS Mid-West Area	629,221
Illinois State University	100,000
John D. Kirby	67,000
INDIANA	
Purdue University	1,316,242
Ft. Wayne State Development Center	125,558
IOWA	
Iowa State University	1,415,000
University of Iowa	498,962
University of Northern Iowa	105,000
KANSAS	
Kansas State University	853,374
KENTUCKY	
University of Kentucky	774,528
LOUISIANA	
Louisiana State University & A&M College	832,098
USDA, Forest Service Southern Forest Experiment Station	81,000
MAINE	
University of Maine	234,500
MARYLAND	
University of Maryland, College Park	650,000
Johns Hopkins University	199,121
University of Maryland, Baltimore	165,000
American Society of Plant Physiologists	6,000
USDA, ARS Beltsville Area	692,000
Carol A. Auer	70,000
MASSACHUSETTS	
University of Massachusetts	196,000
Massachusetts General Hospital	405,000
Tufts University	350,000
Harvard University	275,000
Northeastern University	200,000
Brandeis University	270,000
Thomas A. Green	83,000
MICHIGAN	
Michigan State University	2,087,590
University of Michigan	120,060
MINNESOTA	
University of Minnesota	1,270,370
Carleton College	90,000
USDA, Forest Service North Central Forest Experiment Station ..	100,000
MISSISSIPPI	
Mississippi State University	225,000
University of Southern Mississippi	51,000
USDA, ARS Mid-South Area	5,000

State/Recipient -----	Fiscal Year 1991 Actual -----
MISSOURI	
University of Missouri	1,253,094
Washington University	480,000
Northeast Missouri State University	67,505
MONTANA	
Montana State University	495,000
University of Montana	106,000
NEBRASKA	
University of Nebraska	482,677
Harlen J. Howard	68,100
NEVADA	
University of Nevada	451,000
NEW HAMPSHIRE	
Dartmouth College	185,900
NEW JERSEY	
Rutgers University	834,186
University of Medicine and Dentistry of New Jersey	250,000
NEW MEXICO	
New Mexico State University	82,000
NEW YORK	
Cornell University	4,142,457
State University of New York, Albany	805,000
State University of New York, Buffalo	500,300
State University of New York, College of Environmental Science and Forestry, Syracuse	209,000
University of Rochester	140,000
Boyce Thompson Institute	817,000
Rensselaer Polytechnic Institute	40,000
Cold Spring Harbor Lab	285,000
NORTH CAROLINA	
North Carolina State University	1,736,628
University of North Carolina, Greensboro	93,000
University of North Carolina, Chapel Hill	362,000
Duke University	297,000
NORTH DAKOTA	
North Dakota State University	170,000
OHIO	
Ohio State University	1,131,000
Ohio University	170,000
Case Western Reserve University	380,000
University of Cincinnati College of Medicine	206,000
Miami University	294,900
OKLAHOMA	
Oklahoma State University	453,000
University of Oklahoma	120,000
OREGON	
Oregon State University	1,129,439
University of Oregon	95,000
PENNSYLVANIA	
Pennsylvania State University	1,276,833
Drexel University	80,000
Forest Service, Northeastern Forest Experiment Station	140,000
University of Pennsylvania	60,000
USDA, ARS North Atlantic Area	130,000
RHODE ISLAND	
Gordon Research Conference	52,960
Brown University	190,000

State/Recipient -----	Fiscal Year 1991 Actual -----
SOUTH CAROLINA	
University of South Carolina	123,941
Clemson University	339,276
SOUTH DAKOTA	
South Dakota State University	156,854
TENNESSEE	
University of Tennessee, Knoxville	672,000
East Tennessee State University	100,000
Memphis State University	185,000
TEXAS	
Texas A&M University	2,126,723
Texas Tech University	214,000
University of Texas, Austin	267,445
University of Texas Health Science Center	322,000
USDA, ARS Southern Plains Area	205,000
Baylor College of Medicine	215,000
Rice University	120,000
Steven Roy Evett	90,000
Vaughan H. Lee	63,000
UTAH	
Utah State University	431,203
VERMONT	
University of Vermont	383,000
VIRGINIA	
University of Virginia	100,000
Virginia Polytechnic Institute & State University	590,000
WASHINGTON	
Washington State University	1,698,544
University of Washington	915,000
WEST VIRGINIA	
West Virginia University	313,634
WISCONSIN	
University of Wisconsin, Madison	3,701,207
Medical College of Wisconsin	290,000
WYOMING	
University of Wyoming	688,100
Subtotal	69,204,000
Federal administration (4%)	2,920,000
Small Business Act	876,000
Total	73,000,000 =====

Table 8
National Needs Graduate Fellowships Grants
Proposals Submitted and Grants Awarded in Fiscal Year 1991

	Proposals Submitted			Grants Awarded		
	Proposals Received	Fellows Requested	Dollars Requested	Grants Awarded	Fellows Supported	Dollars Awarded
Biotechnology Plant	31	118	6,372,240	10	21	1,134,000
Engineering-Food, Forest Products, or Agricultural	37	132	7,077,000	10	21	1,122,520 (a)
Water Sciences	19	74	3,963,000	10	21	1,134,000
Marketing or Management- Food, Forest Products, or Agribusiness	--	--	--	--	--	4,480 (b)
TOTAL	87	324	17,412,240	30	63	3,390,520

(a) Partial funding of one fellow due to availability of funds; funds will be completed in FY 1992.

(b) Completion of funding for a partial fellowship awarded in FY 1990.

Table 9
National Needs Graduate Fellowships Grants
Fiscal Year 1991 Recipients
(In Dollars)

Area/Recipient -----	Fiscal Year 1991 Actual -----
BIOTECHNOLOGY - PLANT	
Alabama A&M University	108,000
University of California, Berkeley	162,000
University of California, Davis	108,000
Purdue University, Indiana	108,000
Michigan State University	54,000
Michigan Technological University.....	54,000
University of Minnesota, St. Paul	162,000
University of Missouri, Columbia	162,000
Cornell University, New York	108,000
Oregon State University	108,000
ENGINEERING - FOOD, FOREST PRODUCTS, OR AGRICULTURAL	
University of Arizona	108,000
University of California, Davis	108,000
Colorado State University	108,000
University of Illinois, Urbana	162,000
Purdue University, Indiana	162,000
Iowa State University	108,000
Michigan State University	108,000
Cornell University, New York	108,000
Ohio State University	108,000
Pennsylvania State University	42,520 (a)
WATER SCIENCES	
University of Arizona	108,000
Colorado State University	108,000
University of Florida	162,000
Iowa State University	108,000
Kansas State University	108,000
Michigan State University	162,000
University of Nebraska, Lincoln	108,000
North Carolina State University	54,000
Oklahoma State University	108,000
Texas A&M University	108,000
MARKETING OR MANAGEMENT - FOOD, FOREST PRODUCTS, OR AGRIBUSINESS	
Kansas State University	4,480 (b)
Subtotal	3,395,000
Federal administration (3%)	104,954
Gramm-Rudman-Hollings reduction	46
Total	3,500,000 =====

(a) FY 1991 funds allowed only partial funding of one fellowship;
funding this fellowship will be completed in FY 1992.

(b) Completion of funding for a partial fellowship awarded in FY 1990.

Table 10
Competitive Challenge Grants
Fiscal Year 1991 Recipients
(In Dollars)

Recipient -----	Fiscal Year 1991 Actual -----
Auburn University, Alabama	\$71,877
Tuskegee University, Alabama	59,945
San Jose State University, California	72,000
University of California, Davis	71,982
University of Delaware	31,851
Northern Illinois University.....	31,852
University of Illinois, Urbana	103,851
Purdue University, Indiana	67,643
Iowa State University	71,431
Kansas State University	130,000
University of Kentucky	71,996
Louisiana State University	70,764
University of Nebraska	31,852
North Carolina State University	130,000
Oklahoma State University	71,010
Texas A&M University	129,978
Utah State University	57,074
Washington State University	70,366
University of Wisconsin, River Falls	49,773
University of Wisconsin, Madison	59,755
Subtotal	1,455,000
Federal administration (3%)	44,980
Gramm-Rudman-Hollings reduction	20
Total	1,500,000 =====

Table 11
1890 Institution Capacity Building Grants
Fiscal Year 1991 Recipients
(In dollars)

Category/Recipient -----	Fiscal Year 1991 Actual -----
Research Capacity Building Grants	
Alabama A&M University	\$399,612
Tuskegee University, Alabama	399,601
University of Arkansas	194,329
Florida A&M University	627,757
Kentucky State University	315,000
Southern University, Louisiana	274,600
University of Maryland-Eastern Shore	390,409
Lincoln University, Missouri	115,954
Alcorn State University, Mississippi	306,934
North Carolina A&T State University	314,977
Langston University, Oklahoma	626,368
South Carolina State College	314,923
Tennessee State University	314,842
Virginia State University	313,803
Subtotal, Research Grants	4,909,109
 Teaching Capacity Building Grants	
Alabama A&M University	314,987
Tuskegee University, Alabama	315,000
University of Arkansas-Pine Bluff	115,002
Delaware State College	157,500
Florida A&M University	86,843
Fort Valley State College, Georgia	125,846
Kentucky State University	125,314
Southern University, Louisiana	132,003
University of Maryland-Eastern Shore	44,846
Alcorn State University, Mississippi	315,000
North Carolina A&T State University	399,622
Tennessee State University	269,630
Prairie View A&M University	314,991
Virginia State University	314,666
Subtotal, Teaching Grants	3,031,250
Federal administration (3%)	247,393
Small Business Act	62,141
Gramm-Rudman-Hollings reduction	107
Total	8,250,000 =====

COOPERATIVE STATE RESEARCH SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

[Buildings and Facilities:]

[For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension and teaching programs of the Department of Agriculture, where not otherwise provided, \$75,270,000.]

No funding is proposed for this program in fiscal year 1993.

COOPERATIVE STATE RESEARCH SERVICE

BUILDINGS AND FACILITIES

Appropriations Act, 1992	\$75,270,000
Budget Estimate, 1993	- -

Decrease in Appropriation	-75,270,000
	=====

SUMMARY OF INCREASES AND DECREASES

Item of Change -----	1992 Estimated -----	Program Changes -----	1993 Estimated -----
Buildings and Facilities, Total Available	\$75,270,000	-\$75,270,000	- -
	=====	=====	=====

6-56
PROJECT STATEMENT
(On basis of appropriation)

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
ALABAMA:							
Tuskegee Univ., AL .	\$700,000		- -		- -	- -	
ARIZONA:							
Agric. Research Com- plex-Envir. Stress Lab, University of Arizona, Tucson ...	(a)		\$100,000		-\$100,000	- -	
ARKANSAS:							
Ctr. for Alter. Pest Control Research, Univ. of Arkansas .	811,000		500,000		-500,000	- -	
Poultry Center for Excellence, Univ. of Arkansas	3,750,000		3,050,000		-3,050,000	- -	
Poultry Laboratory & Isolation Facility, Univ. of Arkansas .	337,000		250,000		-250,000	- -	
CALIFORNIA:							
Altern. Pest Control Containment and Quarantine Fac., Univ. of CA., Davis	(a)		207,000		-207,000	- -	
Grape Import. Facil., Univ. of CA., Davis	897,000		1,609,000		-1,609,000	- -	
FLORIDA:							
Ag. Biotech. Inst., Univ. of Florida ..	2,690,000		840,000		-840,000	- -	
GEORGIA:							
Biocontainment Facil., Univ. of Georgia ..	1,992,000		425,000		-425,000	- -	
Ctr. for Advanced Water Technology, Savannah State Col- lege	(a)		136,000		-136,000	- -	
Nat. Lab. for Envir. Sound Prod. Ag., Univ. of GA., Tifton	300,000		1,775,000		-1,775,000	- -	
Vidalia Onion Storage Research Facility, Univ. of GA., Tifton	(a)		225,000		-225,000	- -	
Ag. Livestock and Poultry Facil., Univ. of GA., Athens	- -		(a)		- -	- -	
HAWAII:							
Ctr. for Tropical & Subtropical Agric., Univ. of Hawaii ...	5,675,000		3,842,000		-3,842,000	- -	
IDAHO:							
Biotech. Facility, Univ. of Idaho	590,000		500,000		-500,000	- -	
ILLINOIS:							
Biotech. Center, Northwestern Univ..	(a)		600,000		-600,000	- -	
National Soybean Lab., Univ. of Illinois .	1,617,000		1,987,000		-1,987,000	- -	
INDIANA:							
Molecular & Cellular Biotech. Facility, Indiana University	1,500,000		2,750,000		-2,750,000	- -	
IOWA:							
National Ctr. for Food & Industrial Product Development, Iowa State Univ....	3,400,000		- -		- -	- -	
Nutri. Research Ctr., Iowa State Univ...	1,755,000		- -		- -	- -	

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
KANSAS:							
Plant Science Ctr.,							
Kansas State Univ.	\$3,731,000		\$1,570,000		-\$1,570,000	- -	
MAINE:							
Presque Isle Farm							
Bldg. Consolidation,							
University of Maine	- -		150,000		-150,000	- -	
Masardis Research							
Farm	157,000		- -		- -	- -	
MARYLAND:							
Institute for Nat.							
Resources & Envir.							
Science, Univ. of							
Maryland	(a)		1,000,000		-1,000,000	- -	
MASSACHUSETTS:							
Center for Hunger,							
Poverty, Nutrition &							
Policy, Tufts Univ.	(a)		562,000		-562,000	- -	
MICHIGAN:							
Food Toxicology Ctr.,							
Michigan State Univ.	- -		15,470,000		-15,470,000	- -	
MISSISSIPPI:							
Biological Technology							
Ctr. for water and							
Resources, Univ. of							
Mississippi	- -		100,000		-100,000	- -	
MISSOURI:							
Bennett Living and							
Learning Center,							
Lincoln Univ.....	(a)		145,000		-145,000	- -	
MONTANA:							
Bioscience Center,							
Montana State Univ.	1,250,000		1,062,000		-1,062,000	- -	
NEBRASKA:							
Ctr for Advan. Tech.							
Univ. of Nebraska	4,500,000		4,500,000		-4,500,000	- -	
NEVADA:							
Biochemistry and							
Biology Field Re-							
search Station,							
Univ. of Nevada ...	- -		250,000		-250,000		
NEW JERSEY:							
Plant Bioscience							
Fac., Rutgers Univ.	2,544,000		3,044,000		-3,044,000	- -	
NEW YORK:							
New York Botanical							
Garden	(a)		1,350,000		-1,350,000	- -	
Cornell Univ., Re-							
search Greenhouse	- -		375,000		-375,000	- -	
NORTH CAROLINA:							
Biotech. Facility ..	750,000		1,450,000		-1,450,000	- -	
Ctr. for Nutrition,							
Wake Forest Univ...	2,853,000		1,825,000		-1,825,000	- -	
NORTH DAKOTA:							
Animal Care Fac.,							
NO State Univ.....	(a)		250,000		-250,000	- -	
Engineering and Bio-							
mechanics Bldg., NO							
State Univ.....	- -		(a)		- -	- -	
Food Processing Pilot:							
Plant, ND State Univ	- -		375,000		-375,000	- -	
Facilities Completion:							
ND State Univ.....	- -		500,000		-500,000	- -	
Institute for Agric.							
and Rural Health							
Research Dev., Minot:							
State Univ.....	- -		240,000		-240,000	- -	
Inst/Ag Health							
Science and Rural							
Medicine, Univ. of							
North Dakota	2,892,000		4,381,000		-4,381,000	- -	

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Industrial Agric. & Commun. Ctr.,							
ND State Univ.....	\$2,511,000		- -		- -	- -	
Seed Research and Regulatory Facility,							
ND State University	(a)		\$500,000		-\$500,000	- -	
OHIO:							
Plant Science Re- search Facility,							
Univ. of Toledo ...	- -		275,000		-275,000	- -	
OKLAHOMA:							
National Ctr. for Bovine/Equine Bio- tech. Oklahoma State Univ.....	- -		225,000		-225,000	- -	
OREGON:							
Seafood Center, Oregon State Univ..	(a)		217,000		-217,000	- -	
Regional Food In- novation Ctr.,							
Oregon State Univ...	- -		(a)		- -	- -	
PENNSYLVANIA:							
Center for Food Marketing, St. Joseph's University	600,000		2,710,000		-2,710,000	- -	
RHODE ISLAND:							
Bldg. Consolidation, Univ. of RI	1,904,000		500,000		-500,000	- -	
SOUTH DAKOTA:							
No. Plains Biostress Lab., SD State Univ.	1,970,000		1,515,000		-1,515,000	- -	
TENNESSEE:							
Nursery Crop Research Station, Tennessee State University ..	248,000		426,000		-426,000	- -	
Ag., Biological and Envir. Research Complex, Univ. of Tennessee, Knoxville	- -		925,000		-925,000	- -	
TEXAS:							
Inst. of Biosciences & Technology, Texas A&M Univ. at Houston	3,747,000 (b)		3,860,000		-3,860,000	- -	
UTAH:							
Biotech Lab, Utah State University ...	280,000		764,000		-764,000	- -	
VERMONT:							
Tree Physiology and Maple Research Lab, Univ. of Vermont ...	372,000		- -		- -	- -	
VIRGINIA:							
Agric. Biotechnology Facility, Virginia Polytechnic Inst. & State University ..	918,000		1,021,000		-1,021,000	- -	
WASHINGTON:							
College of Veterinary Medicine, Animal Disease Biotech Fac., WA State Univ.....	1,210,000		2,120,000		-2,120,000	- -	
WISCONSIN:							
Agric. Biotech/ Genetics Fac., Univ. of Wisconsin	2,600,000		7,393,000		-7,393,000	- -	
College of Natural Resources, Univ. of Wisconsin, Stephens Point	- -		(a)		- -	- -	
Research Greenhouse, Madison, Wisconsin	(a)		- -		- -	- -	
Rural Health Info. & Tech. Initiative, Med. College of WI	(a)		- -		- -	- -	

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
WYOMING:							
Envir. Simulation							
Fac., Univ. of WY	(a)		\$500,000		-\$500,000	- -	
Reports on footnote							
(a) items	\$300,000		150,000		-150,000	- -	
Carryover Balances ..	160,000		5,000		-5,000	- -	
Gramm-Rudman-Hollings							
Reduction	-817		- -		- -		
Federal Admin. (3%)	(1,874,000)		(2,403,600)		(-2,403,600)	- -	
Total	61,510,183	10	80,501,000	10	-80,501,000	- -	- -
Total obligations	61,510,183	10	80,501,000	10	-80,501,000	- -	
Gramm-Rudman-Hollings							
Reduction	+817		- -		- -	- -	
Transfer to CSRS Account:							
1211500	+93,000		- -		- -	- -	
Unobligated Balances:							
Available, start							
of year	-3,968,000		-5,231,000		+5,231,000	- -	
Available, end of year	+5,231,000		- -				
Total appropriation ...	62,867,000	10	75,270,000	10	-75,270,000 (1)	- -	- -

(a) Funds were provided to the Cooperative State Research Service for the purpose of reporting to Congress on the need for this facility. Actual funds are not earmarked for award to the institution.

(b) In fiscal year 1989, \$950,000 was appropriated for the University of Texas Southwestern in Dallas. These funds were redirected by Congress to Texas A&M University in fiscal year 1991.

EXPLANATION OF PROGRAM

In the Fiscal Year 1992 Appropriations Act, \$75.3 million was appropriated to CSRS for Buildings and Facilities at designated institutions. These funds are available until expended and CSRS is awarding grants for these facilities to the institutions.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$75,270,000 for Buildings and Facilities (\$75,270,000 available in 1992). These funds were earmarked for facilities at specific institutions in 1992. No additional funding is being proposed for any institutions in 1993.

EXTENSION SERVICE

Purpose Statement

Cooperative extension work was established by the Smith-Lever Act of May 8, 1914, as amended. Legislation authorizes the Department of Agriculture to provide, through the land-grant colleges, cooperative extension work that consists of the development of practical applications of research knowledge and the giving of instruction and practical demonstrations of existing or improved practices of technologies in agriculture, uses of solar energy with respect to agriculture, home economics, related subjects and to encourage the application of such information by demonstrations, publications, and other means to persons not attending or resident in the colleges. This work is further emphasized in Title XIV (National Agricultural Research, Extension, and Teaching Policy) of the Food and Agriculture Act of 1977, as amended.

To fulfill the requirements of the Smith-Lever Act, state and county Extension offices in each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas and Micronesia, conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

The Extension Service, USDA, provides national leadership, and represents the U.S. Department of Agriculture within the Cooperative Extension System, comprised of some 21,000 state and local Extension system employees and 2.9 million program service volunteers. As of September 30, 1991, there were 190 full-time permanent employees and 11 other than full-time permanent employees, all located in the D.C. metropolitan area.

EXTENSION SERVICE

Available Funds and Staff-Years1991 Actual and Estimated, 1992 and 1993

Item	1991 Actual	Staff- Years	1992 Estimated	Staff- Years	1993 Estimated	Staff- Years
	Amount		Amount		Amount	
Extension Service.....	\$398,472,820	175	\$419,325,000	177	\$417,320,000	180
<u>Obligations under Other USDA</u>						
<u>Appropriations:</u>						
Agricultural Stabilization and Conservation Service -						
Agric. Conservation Program.....	100,000		100,000		100,000	
Colorado River Salinity.....	600,000		750,000		750,000	
Native American Agric. Scholars Program.....	--		30,000		30,000	
Rural Clean Water Project.....	307,010		430,000		430,000	
Agricultural Research Service -						
Food Safety.....	45,000		48,000		48,000	
Support Services.....	3,598		5,000		5,000	
Science and Education Modern Era..	75,000		--		--	
Livestock Poultry and Aquaculture Waste Management.....	8,000		--		--	
Environmental and Agricultural Professionals.....	3,333		--		--	
Local Economic Development.....	9,235		10,000		10,000	
Cooperative State Research Service -						
PLANETOR--Microcomputers.....	100,000		100,000		100,000	
Int'l. Symposium--Biotechnology.....	6,000		--		--	
Sustainable Agric. Research and Education.....	100,000		100,000		100,000	
Environmental and Agricultural Professionals.....	3,333		--		--	
Livestock Poultry and Aquaculture Waste Management.....	2,000		--		--	
Rural Economic Development.....	25,000		25,000		25,000	
Farmers Home Administration -						
Rural Economic Development Institute.....	--		67,000		67,000	
Native American Agric. Scholars Program.....	--		25,000		25,000	
Federal Crop Insurance Corporation -						
Educational Activities.....	172,372		310,000		310,000	
Federal Grain Inspection Service -						
Grain Management Handbook.....	3,000		--		--	
Food Safety and Inspection Service -						
Perspectives on Food Safety.....	3,000		--		--	
Safe Food Handling Education.....	7,500		8,000		8,000	
Dairy Quality Assurance Program.....	5,000		--		--	
National Agricultural Statistics Service -						
Native American Agric. Scholars Program.....	--		10,000		10,000	

Item	1991	Staff- Years	1992	Staff- Years	1993	Staff- Years
	Actual		Estimated		Estimated	
Amount			Amount		Amount	
Soil Conservation Service -						
PLANETOR-Microcomputers	100,000		100,000		100,000	
Livestock Poultry and Aquaculture						
Waste Management.....	8,000		--		--	
Farm Assessment System.....	25,000		25,000		25,000	
Water Quality Measures.....	4,200		--		--	
On-Farm Demo. Project-WQ.....	5,000		--		--	
Native American Agric. Scholars						
Program.....	--		5,000		5,000	
Total, Other USDA Appropriations	1,720,581	--	2,148,000	--	2,148,000	--
Total, Agriculture Appropriations	400,198,581	175	421,473,000	177	419,468,000	180

Other Federal Funds:

Reimbursements:

AID-PASA International Extension.....	2,235,445	2,400,000	2,400,000
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Department of Health and Human
Services -

Rural Economic Development Institute.....	50,000	25,000	25,000
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Department of Interior -

Fish & Wildlife Recognition Program	7,402	8,000	8,000
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Department of Transportation -

Rural Economic Development Institute.....	25,000	25,000	25,000
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Environmental Protection Agency -

Pilot Project.....	15,000	15,000	15,000
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Water Quality.....	36,234	40,000	40,000
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Livestock Poultry and Aquaculture Waste Management.....	8,000	--	--
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Pesticide Applicator Training.....	2,330,000	2,400,000	2,400,000
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Farmstead Assessment System.....	61,000	65,000	65,000
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Pesticide Safety Material.....	102,000	110,000	110,000
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Radon Hotspots.....	6,000	7,000	7,000
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Strategy for Radon/Indoor Air.....	15,000	--	--
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Pesticide Public Policy Foundation -

Highway/Right-Of-Way Training.....	--	40,000	40,000
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U.S. Army -

Family Life Enrichment.....	1,260,106	1,480,000	1,480,000
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Total, Other Federal Funds	6,151,187	6,615,000	6,615,000
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Non-Federal Funds:

Federal Assistance Program Retrieval..	2,463	5,000	5,000
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Federal Building Funds.....	83,282	102,000	102,000
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Federal Telecommunication System.....	23,016	100,000	100,000
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Cost Share Printing.....	25,000	30,000	30,000
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Total, Non-Federal Funds	133,761	237,000	237,000
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Total, Extension Service	406,483,529	428,325,000	426,320,000
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	1991 <u>Actual</u>	1992 <u>Estimated</u>	1992 <u>Estimated</u>
Full-Time Equivalent Staff-Years:			
Ceiling	175	177	180
Non-Ceiling	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>176</u>	<u>178</u>	<u>181</u>

EXTENSION SERVICE

Permanent Positions by Grade and Staff Year Summary1991 and Estimated 1992 and 1993

Grade	1991	1992 est.	1993 est.
ES-6	1	1	1
ES-5	1	1	1
ES-4	4	4	5
ES-3	2	2	1
GS/GM-15	30	31	32
GS/GM-14	37	36	38
GS/GM-13	12	11	12
GS-12	5	6	5
GS-11	8	8	8
GS-10	1	1	1
GS-9	5	6	6
GS-8	6	6	5
GS-7	17	18	19
GS-6	19	18	19
GS-5	14	14	14
GS-4	11	12	12
GS-3	8	8	6
Other Graded Positions	0	0	0
Ungraded Positions	0	0	0
Total, Permanent Positions	181	183	185
Unfilled Positions End of Year.....	-1	0	0
Total, Permanent Employment End of Year.....	180	183	185
Staff Years:			
Ceiling.....	175	177	180
Non-Ceiling.....	1	1	1
TOTAL.....	176	178	181

EXTENSION SERVICE

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

Personnel Compensation:	<u>1991</u>	<u>1992</u>	<u>1993</u>
Headquarters	\$8,365,848	\$9,035,000	\$9,495,000
Field	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
11 Total Personnel			
Compensation	8,365,848	9,035,000	9,495,000
12 Personnel Benefits	1,984,586	2,080,000	2,185,000
Total Pers. Comp. & Benefits	10,350,434	11,115,000	11,680,000
Other Objects:			
21 Travel	685,500	710,000	750,000
22 Transportation of things	61,754	68,000	72,000
23.2 Communications, utilities & other rent	724,176	750,000	775,000
24 Printing & reproduction	461,996	500,000	520,000
25 Other services	1,481,319	1,630,000	1,776,000
26 Supplies & materials	351,430	400,000	425,000
31 Equipment	502,391	550,000	600,000
41 Grants, subsidies & contributions	382,285,000	405,565,000	400,722,000
Total other objects	<u>386,553,566</u>	<u>410,173,000</u>	<u>405,640,000</u>
Total direct obligations	<u>396,904,000</u>	<u>421,288,000</u>	<u>417,320,000</u>

Position Data:

Average Salary, ES positions	\$101,700	\$107,500	\$111,491
Salary, GM/GS positions	\$ 46,440	\$ 48,450	\$ 50,016
Average Grade, GM/GS positions	9.99	9.99	9.99

EXTENSION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, \$262,712,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, [\$60,525,000; payments for the urban gardening program under section 3(d) of the Act, \$3,557,000]; \$62,635,000; payments for the pest management program under section 3(d) of the Act, [\$8,200,000]; \$10,000,000; payments for the farm safety and rural health programs under section 3(d) of the Act, [\$2,470,000]; \$1,000,000; payments for the pesticide impact assessment program under section 3(d) of the Act, [\$3,405,000; grants to upgrade 1890 land-grant college extension facilities as authorized by section 1416 of Public Law 99-198, \$9,508,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, \$950,000;] \$3,580,000; payments for extension work under section 209(c) of Public Law 93-471, [\$1,010,000]; \$1,040,000; payments for a groundwater quality program under section 3(d) of the Act, [\$11,375,000; for special grants for financially stressed farmers and dislocated farmers as authorized by Public Law 100-219, \$2,550,000; payments for the Agricultural Telecommunications Program, as authorized by Public Law 100-624 (7 U.S.C. 5926, \$1,221,000); \$13,500,000; payments for youth and families at risk programs under section 3(d) of the Act [\$10,000,000]; \$15,000,000; payments for a food safety program under section 3(d) of the Act, [\$1,500,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978 under section 3(d) of the Act, \$2,765,000; payments for Indian reservation agents under section 3(d) of the Act \$1,500,000;] \$2,000,000; payments for a Nutrition Education Initiative under section 3(d) of the Act, \$11,060,000; and payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee University, [\$24,730,000]; \$28,080,000; in all, [\$407,978,000,] \$410,607,000, of which not less than \$79,400,000 is for Home Economics. Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$11,347,000,] \$6,713,000, of which not less than \$2,300,000 is for Home Economics. (Agriculture, Rural Development, [Food and Drug Administration,] and Related Agencies Appropriation Act, 1992.

The first change is for the purpose of adding language providing funding for a Nutrition Education Initiative under section 3(d) of the Smith-Lever Act.

EXTENSION SERVICE

Appropriations Act, 1992.....	\$419,325,000
Budget Estimate, 1993.....	<u>417,320,000</u>
Decrease in Appropriation.....	<u>-2,005,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Smith-Lever 3b&c.....	\$262,712,000	--	--	\$262,712,000
Smith-Lever 3d:				
EFNEP.....	60,525,000	--	+\$2,110,000	62,635,000
Pest Management.....	8,200,000	--	+1,800,000	10,000,000
Pesticide Impact Assessment.....	3,405,000	--	+175,000	3,580,000
Urban Gardening.....	3,557,000	--	-3,557,000	--
Farm Safety/Rural Health.....	2,470,000	--	-1,470,000	1,000,000
Rural Development Centers.....	950,000	--	-950,000	--
Water Quality.....	11,375,000	--	+2,125,000	13,500,000
Youth at Risk.....	10,000,000	--	+5,000,000	15,000,000
Food Safety.....	1,500,000	--	+500,000	2,000,000
Indian Reservations.....	1,500,000	--	-1,500,000	--
Nutrition Education Initiative.....	--		+11,060,000	11,060,000
Renewable Resource Extension Act.....	2,765,000	--	-2,765,000	--
D.C. Extension.....	1,010,000	--	+30,000	1,040,000
Disadvantaged Farmer Assistance Grants.....	2,550,000	--	-2,550,000	--
Agricultural Telecommunications..	1,221,000	--	-1,221,000	--
1890 Colleges and Tuskegee University.....	24,730,000	--	+3,350,000	28,080,000
1890's Facilities.....	9,508,000	--	-9,508,000	--
Federal Administration and Coordination.....	<u>11,347,000</u>	<u>+\$219,000</u>	<u>-4,853,000</u>	<u>6,713,000</u>
Total, Available.....	<u>419,325,000</u>	<u>+219,000</u>	<u>-2,224,000</u>	<u>417,320,000</u>

PROJECT STATEMENT
(On basis of appropriation)

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Payments to States:							
Smith-Lever Act							
1. Sections 3b&c:							
Program.....	\$246,344,680	--	\$256,044,520	--	--	\$256,044,520	--
Set-aside for Federal Administration (4%).....	6,263,320	--	6,667,480	--	--	6,667,480	--
Subtotal, Sections 3b&c.....	252,608,000	--	262,712,000	--	--	262,712,000	--
2. Section 3d:							
Food and Nutrition (EFNEP)....	60,525,000	--	60,525,000	--	+2,110,000	62,635,000	--
Pest Management.....	7,450,000	--	8,200,000	--	+1,800,000	10,000,000	--
Pesticide Impact Assessment..	3,230,000	--	3,405,000	--	+175,000	3,580,000	--
Urban Gardening.....	3,557,000	--	3,557,000	--	-3,557,000	--	--
Farm Safety/Rural Health.....	1,970,000	--	2,470,000	--	-1,470,000	1,000,000	--
Rural Development	950,000	--	950,000	--	-950,000	--	--
Water Quality.....	10,375,000	--	11,375,000	--	+2,125,000	13,500,000	--
Youth and Families at Risk.....	7,500,000	--	10,000,000	--	+5,000,000	15,000,000	--
Food Safety.....	1,500,000	--	1,500,000	--	+500,000	2,000,000	--
Indian Reservations.....	1,000,000	--	1,500,000	--	-1,500,000	--	--
Nutrition Education Initiative....	--	--	--	--	+11,060,000	11,060,000	--
Subtotal, Section 3d	98,057,000	--	103,482,000	--	+15,293,000	118,775,000	--
Total, payments under the Smith-Lever Act.....	350,665,000	148	366,194,000	150	+15,293,000	381,487,000	153
b. Payments under Renewable Resources Extension Act.....	2,765,000	--	2,765,000	--	² 2,765,000	--	--
c. Payments to the District of Columbia:							
Program.....	951,360	1	969,600	1	+28,800	998,400	1
Set-aside for Federal Administration (4%).....	39,640	--	40,400	--	+1,200	41,600	--
Total, payments to the District of Columbia.....	991,000	1	1,010,000	1	³ +30,000	1,040,000	1

Project	1991 Actual		1992 Estimated		Increase or Decrease	1993 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
d. Payments to 1890 Colleges and Tuskegee University:							
Program.....	21,882,240	1	23,740,800	1	+3,216,000	26,956,800	1
Set-aside for Federal Administration (4%).....	911,760	--	989,200	--	+134,000	1,123,200	--
Total, payments to 1890 Colleges and Tuskegee University.....	22,794,000	1	24,730,000	1	+3,350,000	28,080,000	1
e. Payments for Disadvantaged Farmers Assistance.....	2,550,000	--	2,550,000	--	⁵ -2,550,000	--	--
f. Agricultural Communications.....	--	--	1,221,000	--	⁶ -1,221,000	--	--
g. 1890's Facilities.....	9,508,000	--	9,508,000	--	⁷ -9,508,000	--	--
2. Federal Administration and Coordination (Direct Appropriation).....	9,204,500	25	11,347,000	25	⁸ -4,634,000	6,713,000	25
Unobligated Balance.....	500	--	--	--	--	--	--
Total Available or Estimated.....	398,472,820	175	419,325,000	177	-2,005,000	417,320,000	180
Gramm-Rudman-Hollings Reduction.....	5,180	--					
Total Appropriation	398,478,000	--					

Explanation of Program

Appropriations for the Extension Service enable the U.S. Department of Agriculture to perform its partnership role with State and local counterparts to carry out Cooperative Extension work for the benefit of our Nation's farmers and ranchers, agricultural industries, rural and urban communities, families and youth, and the ultimate consumers of agricultural goods and services.

Cooperative Extension work is authorized under the Smith-Lever Act of 1914, as amended; the Rural Development Act of 1972, as amended; and the District of Columbia Public Postsecondary Education Reorganization Act. The National Agricultural Research, Extension and Teaching Policy Act Amendments of 1981 and 1985 (Title XIV of the Agriculture and Food Acts of 1981 and 1985) and the Food, Agriculture, Conservation, and Trade Act of 1990 also authorize the Federal Government, States and counties to implement cooperative Extension programs commensurate with needs stemming from changes in U.S. agricultural practices and the world food and agricultural situation.

The Extension Service, an agency in USDA, is a legislated partner in the cooperative effort with each State, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Marianas, and Micronesia.

Extension Service Programs in States and counties are financed from Federal, State, county and local sources and jointly planned with ES-USDA to provide educational programs adapted to national, state, and local issues and conditions. The Extension Service helps people identify and solve their farm, home, and community problems through use of research findings of the U.S. Department of Agriculture and the State Land-Grant colleges and universities.

JUSTIFICATION OF INCREASE/DECREASE

- (1) An increase of \$15,293,000 for programs under Section 3(d) of the Smith-Lever Act. (\$103,482,000 available in FY 1992).

- (a) An increase of \$2,125,000 for the Water Quality program under Section 3(d) of the Smith-Lever Act (\$11,375,000 available in FY92).

Need for Change: The President's Initiative on Water Quality defined a vigorous effort to protect ground and surface water from potential contamination by agricultural chemicals and wastes, especially pesticides and nutrients. The USDA's Water Quality Program Plan (1989) was developed to implement the 1990 Presidential Initiative. The Extension Service-USDA and the Cooperative Extension System are responding to and supporting the USDA's Water Quality Program Plan.

The requested level will allow active CES programs to continue in 16 Demonstration Projects, and 74 Hydrologic Unit Areas. The FY 1993 Budget Request continues these efforts and focuses on staff training as a major component of improving program support capabilities nationwide. Increased funds over the anticipated FY92 funding level will focus on this element of the Water Quality Initiative.

Nature of Change: The 1993 budget request proposes increased funds to provide educational programs that encourage the voluntary adoption of management systems and practices that are economically viable and compatible with the maintenance or enhancement of water quality. Education and technical assistance are essential components of the Water Quality Initiative. The Initiative is a coordinated governmentwide program involving several USDA agencies, in cooperation with the Environmental Protection Agency, and the U.S. Geologic Survey. This budget request reflects the need for strong educational programs to support the President's Initiative and will be used to strengthen and improve the program support capabilities of the State Extension Services in responding to water quality concerns.

- (b) An increase of \$5,000,000 for the Youth and Families at Risk program under Section 3(d) of the Smith-Lever Act. (\$10,000,000 available in FY 1992).

Need for Change: The problems facing America's youth and their families have not diminished. Substance abuse, school dropouts, teen pregnancy, teen suicide, and child abuse are at alarming levels. The Extension System's response to the Youth At Risk Initiative is strong and positive. Additional curricula were developed to support the initiative. State Staff Conferences, Volunteer Leader Forums, and other workshops have occurred to enhance the capacity and skills of staff to implement the Youth and Families At Risk program.

The current budget targets over 90 communities. The positive response of this initiative is providing an opportunity to include other collaborators with the Extension System in fulfilling a commitment to youth and families at risk programming. The demonstration of commitment strengthens the potential for other agencies to collaborate with the Extension System youth programs.

Reports from States reflect the formation of community partnerships with other groups, and commitments of new support from communities and the private sector. State Extension staff are including additional training in their statewide conferences and workshops to provide new skills to staff and volunteers.

Continued matching support will be required for the initial sites. The Extension System's early commitment to the goal of increasing the private match will provide opportunities to further strengthen these efforts.

Nature of Change. Additional funding for the Youth and Families At Risk Initiative is needed to strengthen the funded sites with expansion to more targeted communities. Also, funding is needed to train staff and volunteers nationwide with specific skills to further address the needs of youths and families.

Approximately 30 additional sites will provide program opportunity for more youth, parents, and community leaders. It further extends opportunities for community organizations and agencies to collaborate and to become a part of an intensive and comprehensive delivery system to high risk youth and families. The collaboration and educational programs result in more educational service to youth and in more community volunteers being trained to further amplify the project effort. Matching with non-Federal resources will be required.

- (c) An increase of \$500,000 for the Food Safety program under Section 3(d) of the Smith-Lever Act (\$1,500,000 available in FY 1992).

Need for Change. Public concern over pesticide residues in food has been increasing during the last decade. Research completed on risk perceptions, indicates that public concerns are only partially based on risk assessment data. Educational programs can effectively address these concerns by increasing public understanding of risk management decisions and empowering consumers to make decisions based on this understanding.

USDA has increased food safety research and data collection programs in recent years to improve the information available to producers and consumers. Enhanced Extension education programs are needed to transfer this information to a range of audiences. This program is part of the USDA-wide food safety initiative.

The Cooperative Extension System is well suited to provide educational programs to address food safety and quality issues. It currently has staff with the knowledge necessary to understand food systems from production to consumption, absolute and relative risks, risk communication techniques and the basis of identifying critical control points to target resources. This knowledge and experience is connected to a unique and extensive delivery system which has established linkages with the critical target audiences and potential collaborators such as state and local governments and private sector organizations.

Nature of Change. The requested increase will be used for state education projects for all participants members of the food industry. The aim is to increase responsible involvement in protecting the safety of the food supply. The additional education projects should result in increased understanding and awareness of relative risks involved in production decisions including the impact on the nutritional quality of the diet, and for the development of a system-wide education program for food handlers to increase their adoption of safe handling practices, reduce the incidence of foodborne illness and subsequent cost of those illnesses. HACCP (hazard analysis and critical control points) models in production and processing systems to minimize potential contamination from pesticides, microbiological hazards, natural toxicants (e.g. mycotoxins) and environmental contaminations will also be addressed.

- (d) An increase of \$2,110,000 in payments to States for the Expanded Food and Nutrition Education Program (EFNEP) to support Infant and Maternal Nutrition Education under Section 3(d) of the Smith-Lever Act (\$60,525,000 available in FY 1992).

Need for Change: Approximately 10 of 1,000 infants born alive die before reaching their first birthday. Low birth-weight (LBW) is a major determinant of infant mortality in the U.S. Overwhelming evidence indicates that prenatal care reduces LBW, and is most effective among high-risk women, whether the risk derives from medical factors, socio-demographic factors, or both. The high-risk target audience includes the adolescents and those with less than a high school education.

Poor diets contribute to negative health outcomes such as increased risk of chronic disease and increased low birth weight incidence which contributes to infant mortality. Poor food safety and sanitation practices increase the likelihood of food-borne illness.

EFNEP targets low income youth and families with young children and through teaching, helps them to acquire the knowledge, skills, attitudes and changed behavior necessary to improve their diets. Families are taught a nutrition curriculum which includes the relationship of nutrition to health, how to safely prepare nutritious meals, and the management of food resources including food stamps. Successful model programs have been developed to meet the specific needs of pregnant women and infants.

Over the course of the 20-year history of EFNEP, Cooperative Extension has demonstrated positive outcomes and has assisted low-income families in improving the total family diet and their nutritional welfare. These efforts need to continue. Additionally, it is critical to focus the program on the high priority areas that address the concerns of children.

Nature of Change: The FY93 requested level will maintain the \$60.5 million funding for EFNEP. The \$2.1 million increase will focus on maternal and infant nutrition. The target audiences for these focused programs will be pregnant teens and women, health care providers, day care providers, and parents of young children. The objectives of these programs will be to teach low-income pregnant women and teens and parents and caregivers the knowledge, skills, attitudes and behaviors necessary for optimal pregnancy outcome, improved nutritional status of families, and improved health and well-being of children. Additionally, a portion will be used to establish a Cooperative Extension System (CES) Center for Child Nutrition Education in cooperation with the USDA/ARS Children's Nutrition Research Center to utilize this research base and to facilitate the building and sharing of nutrition education expertise throughout CES; and to modify and replicate currently existing educational programs that have demonstrated positive impacts that can be adopted widely throughout the system. The modifications will enable these programs to reach the targeted audiences through a variety of mechanisms in cooperation with the EFNEP program through the training of staff to deliver the program to address high priority issues such as infant mortality, low birth weight, and teenage pregnancy. This portion will need to be specially approved within the use of EFNEP funds.

- (e) An increase of \$1,800,000 for the Integrated Pest Management Program (IPM) under Section 3(d) of the Smith-Lever Act. (\$8,200,000 available in FY 1992).

Need for Change: The use of pesticides in agriculture and other environments has become one of the major public issues of today. Concerns are based on the toxicity of pesticides and their effect on human and environmental health and well being. Extension programs have pioneered the Integrated Pest Management to attain sound

economic returns to producers and other users. However, due to the increasing public concern IPM must expand its scope into non-traditional areas and also become the model upon which to pattern the crop and animal management systems necessary for agriculture in the future.

Over 70 million acres of cropland, as well as many aspects of urban pest controls have been impacted by Extension IPM programs. Current efforts are basically in the major U.S. crops with some programs addressing crops of major importance at the State and local level. Present funding allows for some effort to address other pest management challenges in minor crops.

The Extension System has allocated over \$87 million to IPM efforts since 1973. Additionally, the Federal funds leveraged an estimated 4 to 1 ratio of State, county and private sector contributions. Users reported higher prices for their crops than did non users. Yields for those using IPM practices were equal to or higher than for non-users.

Private consultants are one of the spin offs from IPM programs. Most of these consultants received their training from Extension. They continue their education by attending Extension programs and using Extension staff as a resource knowledge base on technical matters beyond their expertise.

Nature of Change. An increase in funding of \$1.8 million in FY93 will allow Extension IPM programs to continue expanding into the horticultural crops. These crops are most visible to the public since they are eaten either fresh or processed. These crops have drawn the public's most recent attention and concern, as well as food processors, who are becoming more strict in checking residue levels. As more IPM programs are targeted to horticultural crops, USDA and the agricultural producers can take the lead in promoting human and environmental health through safe and efficacious use of pesticides.

Increased IPM programs in non-traditional areas such as minor crops will contribute to low input systems development, toward improved food safety and water quality, and the protection of endangered species.

- (f) An increase of \$175,000 for the National Agricultural Pesticide Impact Assessment Program (NAPIAP) under Section 3(d) of the Smith-Lever Act. (\$3,405,000 available in FY 1992).

Need for Change. The Pesticide Impact Assessment program provides management and coordination for USDA and State activity to support informed regulatory decisions concerning registered pesticides that significantly benefit U.S. food production without causing unreasonable adverse effects on the environment. This program funding provides support for the Cooperative Extension System's participation in the National Agricultural Pesticide Impact Assessment Program (NAPIAP).

EPA is required, under Section VI of the Federal Insecticide Fungicide and Rodenticide Act (FIFRA), to refer to the Secretary of Agriculture all proposed cancellation actions. The Secretary's response is based on data collected and analyzed through NAPIAP. Extension is an important component of this multi-agency effort. Recent concerns regarding water quality, food safety, and endangered species, along with an acceleration of EPA's re-registration program, are placing increased pressure on the agricultural community to provide needed pesticide data.

Nature of Change. The requested level of funding will allow for further enhancement of

base data on pesticide usage and yield effects of alternative control strategies and periodic up-dates. This level of funding will also make it possible to accelerate the assessment process. With the availability of pesticide use and alternative data and an augmentation of the USDA/Extension Service NAPIAP staff, the time required to develop an impact assessment will be reduced to less than six months. Each assessment requires about 0.75 staff years from the State Extension staff.

- (g) An increase of \$11,060,000 for the Nutrition Education Initiative under Section 3(d) of the Smith-Lever Act. (No funds available in FY 1992).

Need for Change. Poor diets during pregnancy contribute to low-birth weight infants, which accounts for a disproportionate percentage of all infant deaths. Breast feeding is the most appropriate diet for infants, but the incidence of breast feeding is lower in low income women than in higher income women. Poor diets in infancy contribute to increased infections, reduced growth rate, baby bottle tooth decay and other poor outcomes. The WIC program provides access to health care, nutritional supplements and limited nutrition education for low income pregnant women, infants and children up to age 5. Many of these families would benefit from a more intensive nutrition education experience, such as that provided by the EFNEP program. Currently, about 44% of the EFNEP clientele also participate in WIC (approximately 92,000 in FY 90), but this is only a small percentage of the total WIC population.

Limited Resource audiences include large numbers of minorities (Hispanics, African Americans, Native Americans, Asians) and low-income people. Low-income and minorities have been shown to be disproportionately affected by disorders involving improper nutrition including obesity, diabetes, cardiovascular diseases and anemia. Reaching audiences with limited resources with nutrition information is a top priority for promoting health in these people.

Standard education materials are for the educated information seeker. Many people of limited resources cannot use these materials. Cooperative Extension Service is an interpreter for the public. Working on the local level, they can understand the needs of the people and develop materials that can be used to bring about improved nutrition.

Nature of Change. The Extension Service is committed to increased coordination with food assistance programs such as Food Stamps and WIC and with other public assistance programs at the local, state and Federal level. \$7.06 Million of this increase is requested to expand the nutrition education programs of Extension to the neediest WIC clientele. Additionally, in order to qualify for these funds, States will be required to redirect 2% of their Smith-Lever 3(b)&(c) base funds (a national total of \$5.44 million) to support WIC related nutrition education activities. By accomplishing this redirection, States will be effectively matching a significant portion of this increase. Enhanced linkages to other Cooperative Extension System programs offering parenting, financial management and job skills will provide a broader base of life skills which can help prevent the long-term dependence on public assistance programs.

The EFNEP curriculum, modified to meet the particular needs of the WIC clientele would be used to reach more WIC clients. Some curricula, such as the Today's Mom program from Alabama and the Have a Healthy Baby Program from Indiana have already been developed, tested, and shared with other states. These and similar curricula will be used based on the best match between clientele and setting for the delivery of the program. In addition, joint training sessions between WIC and State Extension Service staff will take place to keep staff updated on nutrition knowledge, policies, new curricula, working with diverse audiences, etc.

\$4.0 Million is requested to improve development of community based culturally specific nutrition training materials geared to limited resource adults. The funds will be awarded on a competitive basis to communities which reflect cultural diversity. The monies provided the community will be used to develop nutrition training materials which reflect the cultural uniqueness of the community.

- (h) A decrease of \$1,470,000 for the Farm Safety and Rural Health program under Section 3(d) of the Smith-Lever Act. (\$2,470,000 available in FY92).

Need for Change. Agriculture continues to be among the most hazardous occupations in the nation, despite decreases in work related accidents. An estimated 1300 lives were lost and 120,000 disabling injuries were experienced on farms and ranches in 1989, many of them involving children and older workers. Victims of farm-related injuries incur approximately \$2.5 billion in hospital and rehabilitation costs each year.

Extension education on safe farming and ranching practice is needed to reduce the injury, illness and mortality rates of farmers/ranchers, seasonal and migrant agricultural workers, and their families.

Emergency care and response is an important rural health concern. Most rural and farm family members are not sure of procedures to follow if they arrive first on a farm accident scene. Many victims are discovered by family members or farm workers who must be able to act quickly and effectively to save the victim without injuring themselves. There are numerous farm accident situations which emergency medical or rescue personnel may confront with little prior experience or training. Many of these situations can readily become hazardous to the rescuer. Cases have occurred in which emergency personnel have been injured or killed while attempting to carry out a rescue or provide treatment to an injured person on a farm.

Nature of Change. The focus of the Farm Safety program will be shifted to providing funds (\$800,000) for project proposals in targeted farm safety programs, with the objective of limiting exposure to occupational hazards. Potential areas of increased emphasis include programs that effectively reduce the traumatic injury and death rates of farmers and agriculture health and safety education programs to reduce exposure to agricultural chemicals, noise, dust, infectious agents, vibrations, etc. that result in occupationally induced acute and chronic illness and injury.

Additionally, funds are requested (\$200,000) for awarding project proposals to train emergency rescue professionals in farm accident extrication procedures and educate nonprofessionals in first on the scene emergency response procedures. These programs are crucial to reducing the risk of injury to the rescuer, reducing the severity of the injury to the accident victim, and reinforce the value of accident prevention.

- (i) A decrease of \$6,007,000 for certain earmarked programs under Section 3(d) of the Smith-Lever Act listed below. (\$6,007,000 available in FY 1992).

A decrease of \$3,557,000 to eliminate the Urban Gardening Program (\$3,557,000 available in FY 1992).

A decrease of \$950,000 to eliminate earmarked funding for the Rural Development Centers (\$950,000 available in FY 1992).

A decrease of \$1,500,000 to eliminate the special funding for Indian Reservation Extension Education (\$1,500,000 available in FY 1992).

Need for Change. Programs in these specific areas have been developed with prior earmarked funds. Funding from basic formula programs, State and local governments and private sources could be used to continue high priority aspects of these programs.

Nature of Change. This proposal will eliminate specially earmarked funds for certain programs under Section 3(d) of the Smith-Lever Act.

- (2) A decrease of \$2,765,000 to eliminate earmarked funding for the Renewable Resources Extension Act (RREA) (P.L. 95-306) (\$2,765,000 available in FY 1992).

Need for Change. RREA funds have assisted State and local efforts to initiate and develop programs in forest and range conservation and utilization. These funds have stimulated additional State and local support for educational programs for small, private, non-industrial forest and range landowners. Funding from basic formula programs, State and local governments and private sources could be used to continue high priority aspects of these programs.

New funds have been included for Conservation/Stewardship Education and Outreach under the Forest Service's State and Private Forestry account. This matching, competitive grants program offers an additional funding source for education activities in forest and range conservation.

Nature of Change. This proposal will eliminate specifically earmarked funding for the Renewable Resources Extension Act.

- (3) An increase of \$30,000 for payments to D.C. Extension under P.L. 93-471 (\$1,010,000 available in FY 1992).

Need for Change. The D.C. Cooperative Extension Service is the only unit in the national system that conducts Extension programs strictly for the benefit of urban clientele. Programs are concentrated on the development of necessary skills to help inner city low-income and needy residents cope with daily life. Programs to be carried out at this level include proper management of limited resources, human nutrition, family living, youth development, and environment and community improvements.

The D.C. Extension program serves as a catalyst for cost-effectiveness in public assistance programs available to the low-income and needy residents of the Nation's Capital. It provides the educational component to make these programs more effective, with a view toward increasing self-sufficiency among recipients.

Nature of Change. Funds will be used to emphasize critical issues and extension activities through plans of work, program reviews and Cooperative Extension System policy implementation. Increased funds are requested to address the high on-going operating costs and escalating costs to provide quality professionals to staff the system.

- (4) An increase of \$3,350,000 for the 1890 Colleges and Tuskegee University (\$24,730,000 available in FY 1992).

Need for Change. There is a need for increased support for the Extension programs at 1890 land-grant institutions and Tuskegee University to meet a two-fold challenge of increasing access and delivery options. As these institutions implement program initiatives in concert with 1862 institutions, and within their own structure, additional resources are required to provide clientele, particularly disadvantaged and limited

resource people, with full Extension expertise in order for them to develop and improve decision-making skills, better manage available resources, and increase farm and family income. This unique component of the System must remove barriers and employ strategies such as flexible scheduling for educational programs. Many of our clients are and will be increasingly forced to juggle work, family obligations, and the need to learn. The Institutions must be flexible, provide choices of time, place, and methods. The 1890 universities must become even more approachable and accessible.

Through the 1890 institutions and the Tuskegee University, a major emphasis is given to the Department's efforts with small and minority farmers and other limited resource audiences.

Nature of Change. Of the proposed increase, \$1 million will be used to maintain base programs at these Institutions and to address such issues as drug abuse and aging. There is a need to build strong family and community bonds in focusing on these concerns and which these Institutions have a unique role in providing.

The remaining \$2.35 million will be for increased emphasis on responding to the national issues of adolescent pregnancy and sustainability of small farm operations.

- o Adolescent Pregnancy and Health Program (\$1.5 million). Identify and develop effective educational programs to significantly reduce this problem affecting the total country. Focused on the plight of young children (prenatal to 5) in the areas of nutrition and health. Paraprofessionals, focusing on individuals, through a series of lessons will teach pregnant teens and teen parents nutrition for themselves and their infant and encourage appropriate prenatal and well-being health care.
- o Sustainable Agriculture for Small and Limited Resource Farmers (\$850,000). The funds would be employed to establish projects with educational components targeted to limited resource, socially disadvantaged farmers. Through demonstrations, individual counseling and small group meetings, the targeted clientele would acquire skills and knowledge in budgeting, financial, management, planning, resource allocation and marketing toward the goal of achieving viable economic operations.

(5) A decrease of \$2,550,000 for payments to States for Disadvantaged Farmer Assistance (\$2,550,000 available in FY 1992).

Need for Change. Disadvantaged Farmer Assistance grants were provided to the States of Nebraska, Iowa, Missouri, Kansas, Mississippi, North Dakota, Oklahoma and Vermont to provide educational and counseling programs for economically distressed or displaced farmers. Initiated during the farm crisis, these problems are not as severe today and major national initiatives to address issues of agricultural profitability and rural revitalization are underway through ongoing Extension programs. Funding from basic formula programs, State and local governments and

private sources could be used to continue high priority aspects of these programs.

Nature of Change. This proposal will eliminate specifically earmarked funding for this program.

- (6) A decrease of \$1,221,000 for the Ag Telecommunications Program under P.L. 100-624 (\$1,221,000 available in FY 1992).

Need for Change. Programs in this specific area were developed with current year funds. Funding from other than federal funds is being used within the Cooperative Extension System to develop and utilize this technology.

Nature of Change. This proposal will eliminate specific funding for this program under P.L. 100-624, The Food, Agriculture, Conservation, and Trade Act of 1990.

- (7) A decrease of \$9,508,000 for 1890's Facilities (\$9,508,000 available in FY 1992).

Need for Change: Fiscal Year 1992 was the final year of a planned five-year program for the 1890 Institutions and Tuskegee University for the improvement and acquisition of Extension facilities and equipment. Funds awarded in FY 1992 will complete funding for the planning, renovation, and construction of Extension Facilities and the purchase of necessary equipment to outfit these facilities.

Nature of Change: This proposal reflects the termination of the five-year authorization for appropriations for this program. Outlays from these funds will continue to be monitored as construction and renovation is completed.

- (8) A net decrease of \$4,634,000 for Federal Administration and Coordination (direct appropriation) (\$11,347,000 available in FY 1992).

Project	1992	Inc/Dec	1993
Technology Transfer.....	\$ 331,000	-\$331,000	--
Farm Financial Mgmt.	200,000	-200,000	--
Rural Development.....	300,000	-300,000	--
Crambe & Rapeseed.....	67,000	-67,000	--
American Pacific Init.	647,000	-647,000	--
Tourism.....	230,000	-230,000	--
Project Future.....	250,000	-250,000	--
Rural Education Model.....	846,000	-846,000	--
Pilot Technology.....	165,000	-165,000	--
Satellite Downlink.....	285,000	-285,000	--
Crop Simulation Projects.....	498,000	-498,000	--
Rural Rehabilitation Projects....	256,000	-256,000	--
Presque Island.....	187,000	-187,000	--
Ag. Research Facility.....	50,000	-50,000	--
Income Enhancement.....	200,000	-200,000	--
Rural Health.....	200,000	-200,000	--
Beef Producers.....	200,000	-200,000	--
Integrated Cow/Calf Mgmt.	150,000	-150,000	--
Home Sewing.....	157,000	-157,000	--
Extension Specialist.....	<u>\$100,000</u>	<u>-100,000</u>	<u>--</u>
Subtotal	5,369,000	-5,369,000	--
Base, Federal Administration	5,978,000	+516,000	6,494,000
Annulization of Pay Raise	--	+219,000	219,000
TOTAL	<u>\$11,347,000</u>	<u>-\$4,634,000</u>	<u>\$6,713,000</u>

- (a) A decrease of \$5,369,000 for special projects (\$5,369,000 available in FY 1992).

Need for Change. Some of these projects have been funded for several years by the

Congress. The results learned from them have been sufficiently integrated into ongoing programs or have generated additional resources from other than Federal funds to continue the expressed focus of the projects. Additionally, a number of these concerns are being addressed under other initiatives and funds within the budget request.

Nature of Change. This proposal will eliminate earmarked Federal funding support for these projects.

- (b) An increase of \$516,000 for increased National leadership, direction and support for the Cooperative Extension System (\$5,978,000 available in FY 1992).

Need for Change. The Federal administration and coordination of State Extension Services across the country and several territories is critical to program and policy development and implementation. Through the leadership of ES-USDA, the Department and the Federal Government have access to a grassroots nationwide system that is extremely efficient at responding to current and emerging priorities and crises at the local, regional and national levels. As the Federal partner in the national Cooperative Extension System located in 3,150 counties, ES-USDA serves an effective catalyst in mobilizing and coordinating timely and effective educational expertise and assistance. The Extension Service-USDA's ability to provide direction to the Cooperative Extension System in responding to national concerns and issues such as water quality, drought, economic crisis, youth at risk, agricultural and rural technology needs and economic development is being seriously eroded by significant decreases in "purchasing power" dollar funding. Additional resources are very critical in restoring and maintaining appropriate levels of expertise to effectively provide national leadership, direction and support to the System.

Nature of Change. Requested funding level will allow more attention to be given to the substantial responsibilities required of the Extension Service, both as a coordinator and as working partner with other Federal, state and local agencies and organizations. Increases will be used to enhance staff expertise through cooperative personnel agreements with State Extension Services to utilize state staff to address specific issues; provide for more coordination with the Federal agencies for the expanding areas of families, pesticides and rural economic development; and provide upgraded technological assistance in the expanded international efforts of Extension and USDA.

- (c) An increase of \$219,000 for pay costs which consists of \$143,000 the annualization of the fiscal year 1992 pay raise and \$76,000 for part of the fiscal year 1993 pay raise.

Extension Service
Geographic Breakdown of Obligations
1991 and Estimated 1992 and 1993
(Amounts in 000's)

State/Territory	FY 1991 Actual Obligations	Estimated Obligations	
		FY 1992	FY 1993
Alabama.....	\$12,441	\$12,573	\$11,621
Alaska.....	1,465	1,312	1,201
Arizona.....	3,256	2,761	2,560
Arkansas.....	8,954	8,777	8,348
California.....	11,194	10,658	10,400
Colorado.....	3,868	3,611	3,416
Connecticut.....	3,048	2,560	2,392
Delaware.....	2,307	2,120	1,867
Florida.....	8,551	8,253	7,821
Georgia.....	12,504	12,166	11,858
Hawaii.....	2,386	1,695	1,490
Idaho.....	3,465	3,019	2,908
Illinois.....	11,640	11,615	11,274
Indiana.....	9,678	9,430	9,244
Iowa.....	11,032	10,278	9,635
Kansas.....	6,875	6,568	6,098
Kentucky.....	12,627	12,693	12,313
Louisiana.....	9,601	9,568	8,374
Maine.....	2,819	2,602	2,484
Maryland.....	5,915	5,720	5,030
Massachusetts.....	3,987	3,682	3,460
Michigan.....	10,406	10,232	10,001
Minnesota.....	10,524	9,399	9,306
Mississippi.....	11,718	10,910	10,048
Missouri.....	12,241	12,261	11,747
Montana.....	3,109	2,811	2,693
Nebraska.....	6,359	5,835	5,373
Nevada.....	1,455	1,389	1,283
New Hampshire.....	2,143	1,844	1,739
New Jersey.....	4,235	3,933	3,717
New Mexico.....	3,009	2,645	2,545
New York.....	13,509	11,880	11,374
North Carolina.....	16,837	16,696	16,434
North Dakota.....	5,125	4,113	3,554
Ohio.....	12,064	11,872	11,672
Oklahoma.....	9,137	8,304	7,616
Oregon.....	4,736	4,306	3,981
Pennsylvania.....	12,236	12,325	11,924
Rhode Island.....	1,383	1,366	1,263
South Carolina.....	9,082	9,152	8,368
South Dakota.....	3,972	3,716	3,615
Tennessee.....	12,875	12,838	12,275
Texas.....	20,311	19,929	19,553
Utah.....	2,300	2,077	1,976
Vermont.....	2,367	2,097	1,850
Virginia.....	11,448	11,251	10,417
Washington.....	5,305	4,841	4,624
West Virginia.....	4,950	4,877	4,775
Wisconsin.....	9,825	9,243	8,994
Wyoming.....	1,985	1,737	1,630
American Samoa.....	573	874	823
Guam.....	912	920	870
Micronesia.....	515	948	900
Northern Mariana Islands.....	565	853	802
Puerto Rico.....	7,714	7,827	7,848
Virgin Island.....	812	901	850
District of Columbia.....	976	970	998
Sub-total	\$384,326	\$368,833	\$351,232
To be allocated:			
Earmarked Efforts	1,156	32,216	47,238
FERS		4,000	4,000
Federal Administration	12,991	14,276	14,850
Total	\$398,473	\$419,325	\$417,320

NATIONAL AGRICULTURAL LIBRARY

Purpose Statement

The National Agricultural Library (NAL) had its mission outlined by the Organic Act of 1862, establishing the Department of Agriculture. The act, as amended, sets forth a mission, "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, rural development, aquaculture and human nutrition, in the most comprehensive and general sense of the word," and placed upon the Secretary the responsibility to "Procure and preserve all information concerning agriculture, rural development, aquaculture, and human nutrition, which he can obtain by means of books."

NAL serves as the Nation's chief agricultural information resource. It provides agricultural information products and services through traditional library functions and through modern electronic dissemination to agencies of the USDA, public and private organizations, and individuals. NAL coordinates a national network of public and private libraries consisting of the land-grant colleges and universities, other state supported colleges and universities with agriculturally related programs, other public organizations, industry, and other private sector organizations. The NAL provides a leadership role in U.S. participation in international agricultural library and information systems and in efforts to promote worldwide availability of agricultural information.

NAL has as its ultimate purpose facilitating access to and use of information about agriculture and related sciences by all those who need the information. In addition to providing traditional library services such as bibliographies, reference services and document delivery to agricultural scientists and researchers, NAL is expanding its role and serving a wider audience by using modern information dissemination technology to its fullest. The Library concentrates its thrust towards the agricultural community, which includes Federal, State, and private researchers, administrators, agricultural extension and education personnel, the farmer, the small businessman, public groups at all levels, and the general public.

With approximately 2.1 million volumes of printed material on agriculture and supporting scientific disciplines, NAL has one of the largest collections of its kind in the world. Primarily current, but also historical information is collected and organized for effective utilization by a wide range of users, and is cataloged or indexed in AGRICOLA, the NAL database of 2.7 million citations to agricultural publications. NAL also provides extensive input of U.S. publication records to AGRIS, the cooperative agricultural database of the Food and Agricultural Organization of the United Nations.

The basic operations of NAL are located in the NAL Building at Beltsville, Maryland. Specialized services are provided from a reference center in Washington, D.C. Service is provided from both these locations as well as 18 USDA field libraries and 38 smaller USDA centers containing a total of approximately a quarter of a million volumes.

As of September 30, 1991, NAL employment was 200 permanent full time and 32 other than permanent, of which 196 permanent full time and 32 other than permanent are located in Beltsville, while the rest are located in Washington, D.C.

NATIONAL AGRICULTURAL LIBRARY
Available Funds and Staff-Years
1991 Actual and Estimated, 1992 and 1993

	1991		1992		1993	
	Actual		Estimated		Estimated	
	Amount	Years	Amount	Years	Amount	Years
National Agricultural Library.....	\$16,797,782	191	\$17,715,000	191	\$18,025,000	191
<u>Obligations under other</u>						
<u>USDA appropriations:</u>						
Agricultural Marketing Service:						
Space Costs.....	14,813	---	14,719	---	14,700	---
Postage.....	1,700	---	1,300	---	1,300	---
Current Awareness Literature Service..	3,071	---	3,318	---	3,400	---
Agricultural Research Service:						
Plant Genome Data & Information Center....	1,144,490	5	1,100,000	5	1,100,000	5
Computer Room Support.	122,834	---	125,000	---	130,000	---
Subscriptions Costs...	6,567	---	10,823	---	11,000	---
Evaluation Study-Tech. Transfer.....	46,000	---	---	---	---	---
Evaluation Study-Natl Profile of Inform. Serv. in Aquaculture	27,000	---	---	---	---	---
Evaluation Study - Enhance Traditional Library System.....	40,000	---	---	---	---	---
Current Awareness Literature Services.	560,000	5	610,000	5	630,000	5
Space Costs.....	135,128	---	42,460	---	---	---
Postage.....	7,000	---	940	---	---	---
Coca Bibliographies...	4,000	---	---	---	---	---
Animal and Plant Health Inspection Service:						
Current Awareness Literature Service..	27,974	---	32,336	---	33,000	---
Biotechnology - Cataloging Material.	12,527	---	---	---	---	---
Cooperative State Research Service:						
Computer Room Support.	47,694	---	36,100	---	36,100	---
Spt. for Aquaculture Information Center..	35,500	1	18,000	1	18,000	1
Postage and Mail Ser..	5,400	---	3,905	---	3,900	---
Space.....	20,586	---	20,499	---	20,500	---
National Biological Impact Assessment Program.....	16,000	---	16,000	---	16,000	---
Alternative Farming Information Center..	99,522	2	110,000	2	110,000	2
Extension Service:						
Current Awareness: Literature Service..	13,301	---	14,616	---	14,700	---
Youth 4-H Info. Ctr...	96,241	2	129,000	2	129,000	2
Aquaculture Support...	3,500	---	3,500	---	3,500	---
Expanded Food and Nutrit. Education.....	3,000	---	---	---	---	---

NATIONAL AGRICULTURAL LIBRARY
Available Funds and Staff-Years
1991 Actual and Estimated, 1992 and 1993

	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Years	Amount	Years	Amount	Years
Forest Service:						
Current Awareness						
Literature Service.....	8,500	---	10,502	---	10,500	---
Indexing Service.....	42,193	1	45,700	1	51,300	1
Photocopy Service.....	---	---	50,000	---	50,000	---
Food Safety and Inspection Ser...						
Current Awareness						
Literature Service.....	5,623	---	7,835	---	7,900	---
Food Irradiation Database	4,620	---	---	---	---	---
Food and Nutrition Service:						
Lending Services.....	108,648	---	110,000	---	110,000	---
Upgrading Nutrition						
Education Guide.....	20,000	---	20,000	---	20,000	---
Human Nutrition Info Ser:.....						
Current Awareness						
Literature Service.....	6,955	---	8,787	---	8,800	---
National Finance Center:						
Dun and Bradstreet.....	5,412	---	2,500	---	2,500	---
Ofc. of the Inspector Gen:						
Dun and Bradstreet.....	7,000	---	7,000	---	7,000	---
Soil Conservation Service:						
Current Awareness						
Literature Service.....	5,705	---	9,875	---	9,900	---
Miscellaneous Activities.....	26,582	---	126,535	---	128,500	---
Total Other USDA						
Appropriations.....	2,735,086	16	2,694,250	16	2,681,500	16
Total Agricultural						
Appropriations.....	19,532,868	207	20,409,250	207	20,706,500	207
Other Federal Funds						
Dept. of Commerce, NTIS						
Sale of Photocopies.....	26,086	---	28,000	---	28,000	---
Environmental Protection Agency						
Bibliographies.....	54,900	1	70,250	1	70,400	1
National Oceanic and						
Atmospheric Admin:						
Aquaculture.....	8,500	---	5,000	---	5,000	---
Health and Human Services						
Food and Drug Admin:						
Aquaculture Spt.....	2,500	---	2,500	---	2,500	---
Rural Information						
Health Service.....	323,764	1	400,000	1	400,000	1
Other Federal Funds	415,750	2	505,750	2	518,500	2
Non-Federal Funds						
National 4-H Council						
Youth Development.....	---	---	40,250	---	42,250	---
University of Mississippi						
Food Service Education.....	---	---	45,000	---	---	---
Miscellaneous Contributed Funds...	22,500	---	14,750	---	55,625	---
Non-Federal Funds	22,500	---	100,000	---	100,000	---
Total, NAL.....	19,971,118	209	21,015,000	209	21,325,000	209
Full-Time Equivalent						
Staff-Years:						
Ceiling.....	1991 Actual		1992 Estimated		1993 Estimated	
Non-Ceiling.....	209		209		209	
Total	10		10		10	
	219		219		219	

UNITED STATES DEPARTMENT OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY
PERMANENT POSITIONS BY GRADE AND STAFF-YEAR SUMMARY

1991 and Estimated 1992 and 1993

GRADE	1991	1992	1993
	HEADQUARTERS	HEADQUARTERS	HEADQUARTERS
ES-5	1	1	1
GS/GM-15	3	3	3
GS/GM-14	9	9	9
GS/GM-13	26	26	26
GS-12	46	46	46
GS-11	33	33	33
GS-9	7	7	7
GS-8	4	4	4
GS-7	34	34	34
GS-6	35	35	35
GS-5	11	11	11
GS-4	5	5	5
GS-3	1	1	1
<u>Total, Permanent Positions</u>	215	215	215
Unfilled Positions End of Year	-15	-15	-15
Total Permanent Employees, End of Year	200	200	200
<u>Staff-Years:</u>			
Ceiling	209	209	209
Non-Ceiling	10	10	10
Total, Staff Years.....	219	219	219

NATIONAL AGRICULTURAL LIBRARY

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation			
Headquarters.....	\$ <u>6,725,457</u>	\$ <u>7,190,000</u>	\$ <u>7,656,000</u>
11 Total Personnel Compensation.....	6,725,457	7,190,000	7,656,000
12 Personnel Benefits	1,191,743	1,266,000	1,346,000
13 Benefits for Former Personnel.....	<u>5,234</u>	<u>--</u>	<u>--</u>
Total Pers. Comp. & Benefits.....	<u>7,922,434</u>	<u>8,456,000</u>	<u>9,002,000</u>
Other Objects:			
21 Travel.....	191,620	201,000	211,000
22 Transportation of Things.....	28,550	34,000	35,000
23 Communications, Utilities and Other Rent.....	955,041	950,000	975,000
24 Printing and Reproduction.....	808,138	850,000	850,000
25 Other Services.....	3,035,843	3,129,000	3,157,000
26 Supplies and Materials.....	2,306,076	2,500,000	2,600,000
31 Equipment.....	829,835	900,000	900,000
41 Grants.....	629,750	695,000	295,000
Total Other Objects	<u>8,784,874</u>	<u>9,259,000</u>	<u>9,023,000</u>
Total Direct Obligations	<u>16,707,287</u>	<u>17,715,000</u>	<u>18,025,000</u>
<u>Position Data:</u>			
Average Salary, ES Positions	\$95,573	\$107,449	\$108,300
Average Salary, GS/GM Positions	\$34,406	\$36,195	\$37,896
Average Grade GS/GM Positions	9.5	9.5	9.4

NATIONAL AGRICULTURAL LIBRARY

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

National Agricultural Library

For necessary expenses of the National Agricultural Library [\$17,715,000] \$18,025,000: Provided, that this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be available for employment under 5 U.S.C. 3109: Provided further, that not to exceed \$900,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements [: Provide further, that \$462,000 shall be available for a grant pursuant to section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 USC 3318) in addition to other funds available in this appropriation for grants under this section].

The change deletes language providing funds for a grant under section 1472 which in FY 1992 was made to the Leflar School of Law, University of Arkansas, Fayetteville, Arkansas.

NATIONAL AGRICULTURAL LIBRARY

Appropriation Act, 1992.....	\$17,715,000
Budget Estimate, 1993.....	<u>18,025,000</u>
Increase in Appropriation.....	<u>+310,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimate</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimate</u>
Nutrition Education Initiatives.....	\$100,000	-0-	+\$400,000	\$500,000
Networking Initiatives.....	373,900	-0-	+200,000	573,900
Leflar School of Law	462,000	-0-	-462,000	-0-
All Other.....	<u>16,779,100</u>	<u>+\$172,000</u>	<u>-0-</u>	<u>16,951,100</u>
Total Available.....	<u>17,715,000</u>	<u>+172,000</u>	<u>+138,000</u>	<u>18,025,000</u>

PROJECT STATEMENT
(On basis of adjusted appropriation)

	<u>1991 Actual</u>		<u>1992 Estimated</u>			<u>1993 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Increase</u>	<u>Amount</u>	<u>Staff Years</u>
1) Agricultural Library Services for Research & Education.....	\$16,411,287	191	\$16,815,000	191	(1) +\$310,000	\$17,125,000	191
2) Repair & Maintenance of Facilities...	296,000	---	900,000	---	-0-	900,000	---
Unobligated Balance	90,495	---	---	---	---	---	---
Total Available or Estimate.....	<u>\$16,797,782</u>	<u>191</u>	<u>\$17,715,000</u>	<u>191</u>	<u>+\$310,000</u>	<u>\$18,025,000</u>	<u>191</u>
G-R-H Reduction....	218						
Total, Approp.....	<u>\$16,798,000</u>	<u>191</u>					

National Agricultural Library

Explanation of Programs

The basic function of the National Agricultural Library (NAL) is to identify, acquire, disseminate, and deliver pertinent food and agriculture information to all scientists, researchers, administrators, and others working in agricultural fields in both the government and private sectors. To meet user needs, NAL is working with libraries at land-grant universities and other institutions to develop a network to enhance access to information. NAL also maintains an extensive collection of agricultural publications and provides access to these publications through AGRICOLA, its master bibliographic database. NAL also provides current awareness and retrospective searches on worldwide agricultural literature through other computer-based systems of interest to agricultural scientists and educators.

New technologies and systems of networking that contribute to making it possible for the user to have faster, more sophisticated, and more cost effective access to information is at the forefront of NAL's initiatives.

One essential NAL program involves advanced information technologies. NAL has intensified its efforts to enhance and expand its information-providing capabilities by testing the exciting possibilities of the new technology, including computer-based video technology, both often coupled with recently developed optical scanning and developing laser technology, and artificial intelligence software. The NAL staff strives to identify and evaluate these advanced technologies to determine their potential for improving agricultural information access and use. As these advanced technologies are applied to specific projects, NAL works to transfer their use to other agricultural organizations, which could benefit from their adoption. Such technologies have great potential for making information more widely available in a more timely way and in greater depth than ever before. By using advanced information technology, NAL will be better able to promote the organization and availability of agricultural information to the national and international agricultural communities.

In an effort to improve services in particular subject areas, NAL has established specialized information centers to provide enhanced services to current clientele as well as to develop new service relationships with the public and private sectors. The purpose of the centers is to focus activities in the areas of great interest to the Department of Agriculture, the agricultural community throughout the Nation, and the public. NAL is able to take a proactive approach that involves a heavy emphasis on outreach and networking activities. In addition, information center staff concentrate their efforts on strengthening the NAL collection and developing information products. Information centers have a diverse audience including researchers, administrators, educators, consumers, and the private sector to a greater degree. Currently, NAL has information centers on Agricultural Trade and Marketing; Alternative Farming Systems (Low Input/Sustainable Agriculture); Animal Welfare; Aquaculture; Biotechnology; Food and Nutrition; Horticulture; Rural Development; Youth Development; Technology Transfer; and Water Quality.

NAL serves a dual role as the primary literature source for the American agricultural community and as a national authority among libraries and information centers here and abroad. NAL also is cooperating with the National Library of Medicine on sharing collection responsibilities for veterinary science, human nutrition, and biotechnology.

Justification of Increases and Decreases

(1) An increase of \$310,000 for library services consisting of:

- (a) Nutrition Education Initiatives - \$400,000 (\$100,000 available in FY 1992):

Need for Change: - The National Agricultural Library (NAL) contributes to fulfilling USDA's mission of assisting nutrition educators, health professionals, and consumers in understanding the relationship of food and its nutrients to maintaining health and preventing diet-related disorders during the different stages of life. The need to link the research and nutrition education activities of USDA directly with nutrition educators, health professionals, and consumers is a critical element in continuing the human nutrition priorities in USDA.

Nature of Change: - Presently, NAL is providing \$100,000 of its resources in support of this program. Funds requested will be used to create staff and operate a toll free 800 telephone number for nutrition information for educators, health professionals, and consumers. These users will be linked to the information from federal research centers, USDA agencies involved in the human nutrition education and information, and the land-grant universities and colleges with information resources of NAL through the 800 telephone number. Users will have direct access to accurate, up to date information on all aspects of human nutrition. Access will also include the nationally respected collection of human nutrition research and education materials which is a part of the NAL collection.

A coordinated effort will be undertaken with the FSIS hotline staff to avoid duplication of services and to continue to include appropriate referrals of questions and requests for publications to FSIS as appropriate. NAL intends to conduct periodic discussions with the FSIS hotline staff to ensure coverage is adequately provided.

- (b) Networking Initiatives - \$200,000 (\$373,900 available in FY 1992):

Need for Change: - The need for access to information crosscuts all disciplines in science and technology including all programs in agricultural research, extension, and higher education. The National Agricultural Library is working to stay in the forefront of new technologies and systems of networking that enable users to have faster, more sophisticated and cost-effective access to information.

Networking initiatives at NAL focus on ways to improve access to information while reducing unnecessary duplication. NAL and its cooperators engage in projects to establish systems of networking on a national and international level that optimize the retrieval, delivery, storage, and preservation of agricultural information. A few examples include: the Regional Document Delivery System, publications exchange, the State Publications Project; cooperative cataloging; World List development; and the National Agricultural Text Digitizing Project. Most recently, NAL began a major collaborative project with Iowa State University to develop a consortium of Midwest libraries to support the Cooperative Biotechnology Project. The consortium is expected to serve as a model for future cooperative ventures in resource sharing.

Nature of Change: - NAL has received some appropriated funds in recent years to conduct networking activities. These funds have helped to strengthen networking capabilities to some extent. For example, NAL and the Agricultural Research Service have begun to develop a coordinated information access and delivery system that will provide USDA scientists nationwide with enhanced access to information. The establishment of the United States Agricultural Information Network (USAIN) has also been facilitated. This organization has been instrumental in serving as a focal point for promoting national networking initiatives.

NAL will continue to coordinate the efforts of agricultural libraries and information centers for the purpose of working toward the development of a comprehensive agricultural library and information network as mandated in the 1990 Farm Bill.

Designated funds will be used to help develop the requisite infrastructure necessary to engage in full-scale networking. Collaborative initiatives will include the following: building electronic linkages to sources of agricultural information in such areas as plant genome, water quality, and global change; reducing duplicative processing of materials; increasing resource sharing; improving the scope and quality of database systems; expediting information delivery; and investigating miniaturization models to enhance the storage and preservation of materials.

- (c) An increase of \$172,000 for pay costs which consists of \$108,000 for the annualization of the FY 1992 pay raise and \$64,000 for partial FY 1993 pay raise.
- (d) A decrease of \$462,000 for the Leflar School of Law, University of Arkansas (\$462,000 available in FY 1992):

The amount is not supported as a grant in FY 1993, and is not included for the operation of an Agricultural Law Library in the Leflar School of Law at the University of Arkansas.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
1991 And Estimated 1992 and 1993

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
District of Columbia	\$196,596	5	\$232,000	6	\$235,000	6
Maryland.....	<u>16,510,691</u>	<u>186</u>	<u>17,483,000</u>	<u>185</u>	<u>17,790,000</u>	<u>185</u>
Subtotal, Available or Estimate.....	<u>16,707,287</u>	<u>191</u>	<u>17,715,000</u>	<u>191</u>	<u>18,025,000</u>	<u>191</u>
Unobligated Balance	90,495	—	—	—	—	—
Total, Available for Estimate.....	<u>16,797,782</u>	<u>191</u>	<u>17,715,000</u>	<u>191</u>	<u>18,025,000</u>	<u>191</u>

SOIL CONSERVATION SERVICE

Purpose Statement

The Soil Conservation Service (SCS) was established pursuant to Public Law 74-46, known as the Act of April 27, 1935, (16 U.S.C. 590a-590f). Technical programs are carried out in cooperation with conservation districts and other sponsoring local organizations. SCS provides technology transfer through soil conservation districts to landusers, communities, watershed groups, Federal and State agencies, and other cooperators with erosion control and water management problems to bring about needed land treatments and physical adjustments in land use. The purpose is to improve and conserve soil and water resource quantity and quality, improve agriculture, and reduce damage caused by floods and sedimentation.

The Soil Conservation Service has general responsibility for administration of the following programs of the Department of Agriculture:

Conservation Operations is authorized by Public Law 74-46 (16 U.S.C. 590a-590f). Activities include:

1. Conservation technical assistance provided to district cooperators and other landusers in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Information regarding national inventories and appraisals of the resource base are provided to states, districts and other organizations. Technical assistance is provided to monitor and develop effective conservation programs.

2. Soil Surveys are made to inventory the Nation's basic soil resources and to determine land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State and local organizations.

3. Snow survey and water forecasting from basic data collected to provide estimates of annual water availability from high mountain snow packs and relating this to summer stream flow in the western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

4. Operation of plant materials centers to assemble, test, and encourage increased use of plant species which show promise for use in the treatment of conservation problem areas.

River Basin Surveys and Investigations

This program is authorized by the Watershed and Flood Prevention Act, Public Law 83-566, Section 6, August 4, 1954, (16 U.S.C. 1006).

The program involves cooperation with other Federal, State, and local agencies in the conduct of river basin surveys and investigations, flood hazard analysis, and flood plain management assistance to aid in the development of coordinated water resource programs, including the development of guiding principles and procedures. SCS represents the Department on river basin regional entities and River Basin Interagency Committees for coordination among Federal Departments and States.

Watershed Planning

This activity is carried out under the Watershed and Flood Prevention Act, as amended, Public Law 83-566, August 4, 1954, (16 U.S.C. 1001-1008). The program consists of (a) making preliminary investigations to assess proposed small watershed

projects in response to requests made by sponsoring local organizations and (b) providing assistance to sponsors in the development of watershed work plans. SCS is responsible for development of guiding principles and procedures.

Watershed and Flood Prevention Operations. Activities under this program include:

1. Watershed Operations authorized by Public Law 78-534

SCS administers watershed works of improvement authorized by the Flood Control Act of 1944 (33 U.S.C. 701b-1).

Flood prevention operations include planning and installing works of improvement for flood prevention and for the conservation, development, utilization, and disposal of water. This may also include the development of recreational facilities and the improvement of fish and wildlife habitat. Activities are authorized in 11 specific flood prevention projects covering about 11 million acres.

2. Emergency Operations authorized by Section 216, Public Law 81-516, (33 U.S.C. 701b-1) and Sections 403-405, Public Law 95-334, (16 U.S.C. 2203-2205)

Emergency operations provide for the installation of emergency measures for runoff retardation and soil-erosion prevention, in cooperation with landowners and landusers, as the Secretary deems necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire, flood, or any other natural occurrence is causing or has caused a sudden impairment of that watershed.

3. Small Watersheds authorized by Public Law 83-566, as amended, (16 U.S.C. 1001-1008)

This program provides for cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement in approved watershed project. Such works of improvement reduce erosion, floodwater, and sediment damage. They also further the conservation, development utilization, and disposal of water, including the development of multipurpose facilities for such uses as recreation, improvement of fish and wildlife habitat, irrigation, and water supply to municipal and industrial users.

Great Plains Conservation Program

The Great Plains Conservation Program is authorized by Public Law 84-1021, as amended, (16 U.S.C. 590p (b)). The program's objective is to bring about a long-term solution to problems resulting from drought and the cultivation of land unsuited for sustained crop production in the 10 Great Plains States. Activities include:

1. Cost-sharing of permanent conservation practices under long-term contracts with farmers and ranchers in designated counties in the 10 Great Plains States.
2. Cost-share programming and contract administration and technical assistance to help make needed land use adjustments and install conservation measures specified in basic conservation plans in accordance with contract schedules.

Resource Conservation and Development Program

Section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703), (7 U.S.C. 1010-1011) and Sections 1528-1538 of the Agriculture and Food Act of 1981 (Public Law 97-98) provide authority to assist locally sponsored Resource Conservation and Development Projects to conduct programs of land conservation and use in areas where acceleration of present conservation activities are needed and where projects add economic opportunities to the people.

Program Administration: The Soil Conservation Service maintains its central office in Washington, D.C. Most of its activities are carried out in about 3,050 field offices in the 50 States, Puerto Rico, and the Pacific Basin Area serving Guam, the Northern Mariana Islands, and American Samoa. Four technical service centers provide program coordination and technical support. This includes services such as engineering, watershed planning, cartographic work, soil mechanics laboratories, information, professional help in agronomy, soils, biology, forestry, plant materials, range conservation, and other technical work. As of September 30, 1991, there were 12,136 full-time employees and 1,923 part-time, intermittent, and other employees. Of these 461 full-time employees and 26 other employees were located in Headquarters.

Soil Conservation Service
Available Funds and Staff-Years
1991 and Estimated, 1992 and 1993

ITEM	1991 Actual		1992 Estimated		1993 Estimated	
	Amount 1/	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Soil Conservation Service:						
Conservation Operations...	\$509,789,344:	9,579:	\$564,349,000:	9,905:	\$572,492,000:	9,905
River Basin Surveys and						
Investigations.....	12,782,834:	204:	13,251,000:	204:	10,082,000:	154
Watershed Planning.....	9,175,881:	157:	9,545,000:	157:	6,391,000:	104
Watershed and Flood Prev-						
tion Operations.....	185,702,586:	1,611:	205,266,000:	1,436:	152,961,000:	1,312
Great Plains Conservation						
Program.....	24,636,680:	166:	25,271,000:	166:	25,271,000:	159
Resource Conservation and						
Development.....	29,899,611:	429:	32,516,000:	445:	23,631,000:	384
Total.....	771,986,936:	12,146:	850,198,000:	12,313:	790,828,000:	12,018
Deduct allotments to						
other agencies:						
FS.....	-3,908,053:	-70:	-4,439,800:	-54:	-3,843,000:	-54
FmHA.....	-312,500:	-9:	-312,500:	-9:	-313,000:	-9
Net.....	767,766,383:	12,067:	845,445,700:	12,250:	786,672,000:	11,955
<u>Obligations under other</u>						
<u>USDA appropriations:</u>						
Reimbursements for						
technical services to:						
Agricultural Conservation						
Program (ASCS).....	8,470,877:	238:	9,722,000:	263:	6,250,000:	163
Experimental Rural Clean						
Water Program (ASCS)....	827,664:	20:	860,000:	20:	860,000:	20
Water Bank Program (ASCS)						
Emergency Conservation						
Program (ASCS).....	464,180:	11:	480,000:	11:	480,000:	11
Conservation Reserve Prog. 2/	5,720,244:	161:	11,378,000:	308:	17,378,000:	454
Wetland Reserve 2/.....	--:	--:	6,200,000:	167:	24,800,000:	644
Colorado Salinity Program						
Foreign Details and						
Assignments (OICD).....	748,945:	11:	1,020,000:	11:	1,020,000:	11
Soil Survey (FS).....	342,974:	8:	357,000:	8:	357,000:	8
Accelerate Soil Surveys..						
Snow Survey and Water						
Forecasting.....	7,000:	--:	7,500:	--:	7,500:	--
Other: planning and						
application.....	394,375:	5:	438,000:	5:	438,000:	5
Hazardous Waste Management:	158,022:	--:	403,335:	--:	154,000:	--
Reimbursement for other						
services for:						
Facilities: Rent, phone,						
utilities, etc.....	5,091,253:	--:	5,323,200:	--:	5,323,200:	--
Proceeds of sales.....	219,937:	--:	172,000:	--:	172,000:	--
Miscellaneous.....	1,680,339:	17:	1,760,900:	15:	1,790,900:	15
Total, Other USDA						
Appropriations.....	30,437,717:	611:	44,684,935:	948:	65,593,600:	1,471
Total, Agriculture						
Appropriations.....	798,204,100:	12,678:	890,130,635:	13,198:	852,265,600:	13,426
<u>Obligations under other</u>						
<u>Federal appropriations:</u>						
Reimbursement for technical						
services for:						
Soil surveys (Interior)..<	1,064,313:	22:	1,110,000:	22:	1,110,000:	22

Available Funds and Staff-Years 1991 and Estimated, 1992 and 1993 - Continued

ITEM	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Accelerate Soil Surveys..	880,602:	16:	915,000:	16:	915,000:	16
Other: planning and application.....	1,421,369:	31:	2,937,500:	34:	2,767,500:	34
Snow Survey and Water Forecasting.....	30,226:	--:	31,000:	--:	31,000:	--
Plant Materials Center Operations.....	65,000:	--:	68,000:	--:	68,000:	--
Cooperative surveys (RB).	66,000:	2:	116,000:	3:	116,000:	3
Flood Insurance Studies (HUD).....	189,434:	4:	480,000:	5:	480,000:	5
Reimbursement for other services for:						
Facilities: Rent, phone, utilities, etc.....	11,648:	--:	12,000:	--:	12,000:	--
Proceeds of sales.....	230,801:	--:	307,500:	--:	245,500:	--
Financial assistance.....	1,706,401:	--:	12,000:	--:	6,000:	--
Miscellaneous.....	2,824,629:	40:	2,974,400:	44:	2,912,400:	44
Allocation from Other Federal Agencies:						
Rural Abandoned Mine Program (DOI-OSM).....	11,905,607:	89:	11,989,529:	85:	--:	--
<u>Obligations under non-Federal Funds:</u>						
Reimbursement for technical service for:						
Planning and application.	1,947,396:	45:	2,808,800:	61:	2,924,800:	61
Accelerate Soil Surveys..	4,022,832:	98:	4,185,000:	98:	4,185,000:	98
Snow Survey and Water Forecasting.....	61,049:	1:	63,000:	1:	63,000:	1
Plant Materials Centers Operations.....	123,955:	--:	130,000:	--:	130,000:	--
Watershed Planning.....	93,500:	1:	133,000:	2:	133,000:	2
Abandon Mine Reclamation.	3,033:	--:	4,000:	--:	4,000:	--
Reimbursement for other non-federal services for:						
Facilities: Rent, phone, utilities, etc.....	1,107,678:	--:	1,411,600:	--:	1,466,600:	--
Proceeds of sales.....	412,745:	--:	645,000:	--:	693,000:	--
Financial Assistance.....	7,823,640:	--:	12,756,000:	--:	8,774,000:	--
Miscellaneous.....	3,383,928:	74:	3,658,600:	77:	3,691,600:	77
Trust funds:						
Small Watershed and RC&D projects and soil surveys	1,020,947:	10:	560,000:	10:	560,000:	10
Total Reimbursements and Other Funds.....	70,834,450:	1,044:	91,992,864:	1,406:	96,882,000:	1,844
Total, Soil Conservation Service.....	\$838,600,833:	13,111:	\$937,438,564:	13,656:	\$883,554,000:	13,799

Full-Time Equivalent Staff-Years:	1991 Actual	1992 Estimated	1993 Estimated
Ceiling.....	13,111	13,656 ^{a/}	13,799
Non-ceiling.....	260	227	194
Total.....	13,371	13,883	13,993

a/ Ceiling mandated by Congress is 14,177. Ceiling staff-years of 13,656 are supportable within available funds.

- 1/ Watershed and Flood Prevention Operations - Excludes \$51,527,301 carryover for FY 1991 and \$33,179,788 carryover for FY 1992.
Great Plains Conservation Program - Excludes \$117,109 carryover for FY 1991 and \$1,688,931 carryover for FY 1992.
Resource Conservation and Development - Excludes \$2,114,753 carryover for FY 1991 and \$3,727,515 carryover for FY 1992.
- 2/ Funding shows amounts actually used or anticipated.

UNITED STATES DEPARTMENT OF AGRICULTURE
SOIL CONSERVATION SERVICE

Permanent Positions by Grade and Staff-Year Summary

1991 and Estimated 1992 and 1993

Grade	1991				1992				1993			
	Head- quarters	Field	Total	1/ quarters	Head- quarters	Field	Total	1/ quarters	Head- quarters	Field	Total	1/ quarters
ES-6.....	1	0:	1:	1:	1	0:	1:	1:	1	0:	1	1
ES-5.....	7	0:	7:	7:	7	0:	7:	7:	7	0:	7	7
ES-4.....	11	1:	12:	12:	11	1:	12:	12:	11	1:	12	12
ES-3.....	2	1:	3:	3:	2	1:	3:	3:	2	1:	3	3
ES-2.....	1	1:	2:	2:	1	1:	2:	2:	1	1:	2	2
ES-1.....	0	0:	0:	0:	0	0:	0:	0:	0	0:	0	0
	:	:	:	:	:	:	:	:	:	:	:	:
GS/GM-15.....	56	69:	125:	125:	56	70:	126:	126:	56	70:	126	126
GS/GM-14.....	93	159:	252:	252:	93	161:	254:	254:	93	161:	254	254
GS/GM-13.....	98	621:	719:	719:	98	626:	724:	724:	98	626:	724	724
GS-12.....	32	1,690:	1,722:	1,722:	32	1,734:	1,766:	1,766:	32	1,744:	1,776	1,776
GS-11.....	29	3,508:	3,537:	3,537:	29	3,599:	3,628:	3,628:	29	3,635:	3,664	3,664
GS-10.....	5	12:	17:	17:	5	12:	17:	17:	5	15:	20	20
GS-9.....	21	1,855:	1,876:	1,876:	21	1,904:	1,925:	1,925:	21	1,924:	1,945	1,945
GS-8.....	4	323:	327:	327:	4	331:	335:	335:	4	336:	340	340
GS-7.....	37	1,645:	1,682:	1,682:	37	1,688:	1,725:	1,725:	37	1,700:	1,737	1,737
GS-6.....	35	901:	936:	936:	35	925:	960:	960:	35	931:	966	966
GS-5.....	11	767:	778:	778:	11	787:	798:	798:	11	792:	803	803
GS-4.....	10	389:	399:	399:	10	399:	409:	409:	10	402:	412	412
GS-3.....	2	86:	88:	88:	2	88:	90:	90:	2	89:	91	91
GS-2.....	0	22:	22:	22:	0	23:	23:	23:	0	23:	23	23
GS-1.....	0	16:	16:	16:	0	16:	16:	16:	0	17:	17	17
Other Graded	:	:	:	:	:	:	:	:	:	:	:	:
Positions.....	10	0:	10:	10:	10	0:	10:	10:	10	0:	10	10
Ungraded Positions	0	57:	57:	57:	0	57:	57:	57:	0	57:	57	57
Total Permanent	:	:	:	:	:	:	:	:	:	:	:	:
Positions.....	465	12,123:	12,588:	12,588:	465	12,423:	12,888:	12,888:	465	12,525:	12,990	12,990
Unfilled Positions	:	:	:	:	:	:	:	:	:	:	:	:
end-of-year.....	-3	-339:	-342:	-342:	--	--:	--:	--:	--	--:	--	--
Total, Permanent	:	:	:	:	:	:	:	:	:	:	:	:
Employment, end-	:	:	:	:	:	:	:	:	:	:	:	:
of-year.....	462	11,784:	12,246:	12,246:	465	12,423:	12,888:	12,888:	465	12,525:	12,990	12,990
Staff-Years:	:	:	:	:	:	:	:	:	:	:	:	:
Ceiling.....	486	12,625:	13,111:	13,111:	486	13,170:	13,656:	13,656:	486	13,313:	13,799	13,799
Non-Ceiling ₂ /...	8	252:	260:	260:	8	219:	227:	227:	8	186:	194	194
TOTAL.....	494	12,877:	13,371:	13,371:	494	13,389:	13,883:	13,883:	494	13,499:	13,993	13,993

1/ Includes positions for Rural Abandoned Mine Program.

2/ Includes staff-years for stay-in-school positions.

SOIL CONSERVATION SERVICE

CLASSIFICATION BY OBJECTS1991 and Estimated 1992 and 1993

	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
<u>Personnel Compensation</u>			
Headquarters	\$22,552,763	\$23,500,000	\$24,369,000
Field	374,198,617	394,548,000	397,551,000
11 Total personnel compensation.....	396,751,380	418,048,000	421,920,000
12 Personnel benefits.....	87,904,397	94,720,000	97,682,000
13 Benefits for former personnel.....	<u>553,830</u>	<u>581,000</u>	<u>556,000</u>
Total personnel compensation & benefits	485,209,607	513,349,000	520,158,000
 Other Objects			
21 Travel.....	17,881,780	18,553,000	18,578,000
22 Transportation of things.....	4,701,611	4,971,000	5,037,000
23.2 Rental payments to others.....	12,385,426	13,322,000	13,510,000
23.3 Communications, utilities and miscellaneous charges.....	17,053,723	17,900,000	18,000,000
24 Printing and reproduction.....	4,639,246	4,845,000	4,957,000
25 Other services.....	53,742,022	62,298,000	55,775,000
Construction contracts.....	88,953,795	113,956,000	52,611,000
26 Supplies and materials.....	14,317,734	16,554,000	15,563,000
31 Equipment.....	35,246,328	51,596,000	43,246,000
32 Land and structures.....	760,198	782,000	808,000
41 Grants, subsidies, and contributions	46,110,433	65,769,000	38,277,000
42 Insurance claims and indemnities....	103,644	115,000	121,000
43 Interest and dividends.....	<u>35,573</u>	<u>33,000</u>	<u>31,000</u>
Total other objects.....	<u>295,931,513</u>	<u>370,694,000</u>	<u>266,514,000</u>
 Total direct obligations.....	<u>\$781,141,120</u>	<u>\$884,043,000</u>	<u>\$786,672,000</u>

Position Data

Average Salary, ES positions	\$100,592	\$104,113	\$107,445
Average Salary, GM/GS positions	\$34,011	\$35,439	\$36,750
Average Grade, GM/GS positions	9.58	9.37	9.37

UNITED STATES DEPARTMENT OF AGRICULTURE
Soil Conservation Service

Personnel Summary
FY 1991 Actual

	<u>Agency</u> 1/	<u>Full-Time</u>	<u>Other</u> 2/	<u>Overtime & Holidays Worked</u>	<u>Total Staff Years</u>
Conservation Operations	SCS	9,014	725	23	9,762
River Basin Surveys and Investigations.....	SCS	190	7	--	197
	FS	9	1	--	10
	<u>Subtotal</u>	<u>199</u>	<u>8</u>	<u>--</u>	<u>207</u>
Watershed Planning.....	SCS	146	13	--	159
	FS	1	--	--	1
	<u>Subtotal</u>	<u>147</u>	<u>13</u>	<u>--</u>	<u>160</u>
Watershed and Flood Prevention Operations	SCS	1,483	90	32	1,605
	FmHA	7	--	--	7
	FS	39	18	2	59
	<u>Subtotal</u>	<u>1,529</u>	<u>108</u>	<u>34</u>	<u>1,671</u>
Great Plains Conserva- tion Program.....	SCS	163	6	--	169
Resource Conservation and Development.....	SCS	376	56	1	433
	FmHA	2	--	--	2
	FS	2	--	--	2
	<u>Subtotal</u>	<u>380</u>	<u>56</u>	<u>--</u>	<u>437</u>
Total Direct Program...	SCS	11,372	897	56	12,325
	FmHA	9	--	--	9
	FS	51	19	2	72
	<u>Subtotal</u>	<u>11,432</u>	<u>916</u>	<u>58</u>	<u>12,406</u>
Reimbursable Programs..	SCS	877	68	--	945
Miscellaneous Contri- buted Funds.....	SCS	7	3	--	10
Allocation from DOI (Abandoned Mine).....	SCS	88	3	--	91
Total Program.....	SCS	12,344	971	56	13,371
	FmHA	9	--	--	9
	FS	51	19	2	72
	<u>Total</u>	<u>12,404</u>	<u>990</u>	<u>58</u>	<u>13,452</u>

1/ SCS: Soil Conservation Service
FS: Forest Service
FmHA: Farmers Home Administration

2/ Includes non-ceiling staff-years for the stay-in-school program.

UNITED STATES DEPARTMENT OF AGRICULTURE
SOIL CONSERVATION SERVICE

Personnel Summary by Organization Level
FY 1991

	<u>Average GS & GM Salary 1/</u>	<u>Average GS & GM Grade 1/</u>	<u>Average Salary - Ungraded 1/</u>	<u>Total Staff- Years 2/</u>
Washington Headquarters.....	\$46,487	11.51	N/A	494
Technical Service Centers.....	\$42,922	11.00	\$28,538	512
Other National Units.....	N/A	N/A	N/A	150
State Offices.....	\$33,085	9.51	\$24,637	1,466
State Technical Specialists....	N/A	N/A	N/A	720
Plant Materials Centers.....	N/A	N/A	N/A	130
Miscellaneous State Units.....	N/A	N/A	N/A	611
Area Office Staffs.....	N/A	N/A	N/A	1,508
Miscellaneous Area Units.....	N/A	N/A	N/A	1,179
Field Office Staffs.....	N/A	N/A	N/A	6,601
Subtotal, SCS Direct, Reim- bursable and Miscellaneous Contributed Funds.....	\$34,011	9.58	\$25,022	13,371
Allocations to Other Agencies:				
Farmers Home Administration..			--	9
Forest Service.....			--	<u>72</u>
Subtotal, Allocations.....			--	<u>81</u>
Total.....	N/A	N/A	N/A	13,452

1/ This is not figured below the State Office level.

2/ Includes 260 nonceiling staff years.

[illegible]

	Total Obligations	Conservation Operations	River Basin Surveys and Investi- gations	Watershed Planning	Watershed and Flood Prevention Operations	Great Plains Conservation Program	Resource Conservation and Development
Organizational Summary:							
Washington Headquarters.....	\$44,368	\$35,955	\$845	\$559	\$5,241	\$486	\$1,282
State Offices.....	76,488	55,170	2,106	1,888	13,289	1,030	3,005
State Technical Specialists....	39,704	29,576	1,862	1,256	5,781	379	850
Technical Service Centers.....	34,506	26,960	718	1,119	5,065	196	448
Plant Materials Centers.....	6,783	6,686	--	--	97	--	--
Other National Units.....	17,190	14,969	121	35	1,877	47	141
Miscellaneous State Units.....	31,696	9,962	4,522	3,555	12,387	1	1,269
Area Office Staffs.....	72,493	60,224	345	168	8,771	1,121	1,864
Miscellaneous Area Units.....	50,422	26,386	191	12	11,387	--	12,446
Field Office Staffs.....	272,583	243,262	1,184	324	20,041	5,423	2,349
TOTAL SCS.....	646,233	509,150	11,894	8,916	83,936	8,683	23,654
Cost-Share/Construction.....	134,908	--	--	--	116,579	14,382	3,947
TOTAL SCS OBLIGATIONS NET...	781,141	509,150	11,894	8,916	200,515	23,065	27,601
FmHA.....	313	--	--	--	253	--	60
FS.....	4,911	--	781	222	3,283	--	625
Subtotal.....	5,224	--	781	222	3,536	--	685
TOTAL OBLIGATIONS, NET OF REIMBURSEMENTS.....	\$786,365	\$509,150	\$12,675	\$9,138	\$204,051	\$23,065	\$28,286

SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Conservation Operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [\$564,129,000] \$572,492,000; of which not less than \$5,713,000 is for snow survey and water forecasting and not less than \$8,064,000 is for operation and establishment of the plant materials centers: Provided, [That of the foregoing amounts not less than \$400,000,000 is for personnel compensation and benefits: Provided further,] That except for \$2,399,000 for improvements of the plant materials centers, the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$10,000, except for one building to be constructed at a cost not to exceed \$100,000 and eight buildings to be constructed or improved at a cost not to exceed \$50,000 per building and except that alterations or improvements to other existing permanent buildings costing \$5,000 or more may be made in any fiscal year in an amount not to exceed \$2,000 per building: Provided further, That when buildings or other structures are erected on non-Federal land that right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2). The Secretary of Agriculture is authorized to construct buildings and related facilities on federally owned land in Skagit County, Washington, for plant materials purposes: Provided, That the total amount of expenditures for the buildings and facilities on the site shall be derived from, and shall not exceed, the amount of money received from the exchange of lands in Skagit County, and Bellingham, Washington.

This change proposes deletion of the language establishing a floor on the amount of funds available for personnel compensation and benefits. This limitation severely limits managerial flexibility in maintaining the proper balance between staffing needs and other support items such as, travel, training and equipment that are required for effective delivery of program services to farmers, ranchers, and others who participate in conservation programs. Implementation of the conservation provisions of the Food and Security Act of 1985 and the Food, Agriculture, Conservation and Trade Act of 1990 is having a major impact on SCS field offices as additional demands are made to provide technical assistance and soil survey data. Maximum flexibility is needed to ensure that all available resources can be used to meet these needs in a timely manner. The FY 1991 actual for personnel compensation and benefits was \$381.2 million. The FY 1992 and 1993 estimates are \$412.7 million and \$430.6 million respectively.

Conservation Operations

Appropriations Act, 1992.....	\$564,129,000
Budget Estimate, 1993.....	<u>572,492,000</u>
Increase in Appropriation.....	<u>+ \$8,363,000</u>

Adjustments in 1992:

Appropriations Act, 1992.....	\$564,129,000	
Transfer from the Rental Payments (USDA) Account		
for non-GSA buildings a/.....	<u>+220,000</u>	
Adjusted base for 1992.....		\$564,349,000
Budget Estimate, 1993.....		<u>572,492,000</u>
Increase over adjusted 1992.....		<u>+8,143,000</u>

a/ Funds were transferred in 1991 from the Rental Payments (USDA) account for leases reassigned by GSA to SCS in 1991 and 1992.

SUMMARY OF INCREASES
(on basis of adjusted appropriation)

Item of Change	1992 Estimated	Pay Cost	Program Changes	1993 Estimated
Technical assistance.....	\$478,018,000	+\$6,205,000	+\$1,938,000	\$486,161,000
Soil survey.....	72,554,000	--	--	72,554,000
Snow survey and water forecasting.	5,713,000	--	--	5,713,000
Operation of plant materials ctrs.	8,064,000	--	--	8,064,000
TOTAL AVAILABLE.....	<u>\$564,349,000</u>	<u>+\$6,205,000</u>	<u>+\$1,938,000</u>	<u>\$572,492,000</u>

PROJECT STATEMENT
(On basis of adjusted appropriation)

Project	1991 Amount	1991 :Staff: :Years:	1992 estimated Amount	1992 estimated :Staff: :Years:	Increase	1993 estimated Amount	1993 estimated :Staff: :Years:
1. Technical assistance.....	\$426,542,427	8,202	\$478,018,000	8,528	+\$8,143,000(1)	\$486,161,000	8,528
2. Soil surveys.....	69,811,092	1,166	72,554,000	1,166	--	72,554,000	1,166
3. Snow survey and water forecasting.....	5,562,928	73	5,713,000	73	--	5,713,000	73
4. Operation of plant materials centers.....	7,872,897	138	8,064,000	138	--	8,064,000	138
Total available estimate.....	\$509,789,344	9,579	564,349,000	9,905	<u>+\$8,143,000</u>	<u>\$572,492,000</u>	<u>9,905</u>
Transfer from Rental	-739,968	--	-220,000	--			
Gramm-Rudman-Hollings Reduction PL 99-177	+6,624	--	--	--			
Total, appropriation	<u>\$509,056,000</u>	<u>9,579</u>	<u>\$564,129,000</u>	<u>9,905</u>			

PROJECT STATEMENT
(On basis of available funds)

Project	1991		1992 estimated		Increase or Decrease	1993 estimated	
	Amount	Staff : Years	Amount	Staff : Years		Amount	Staff : Years
Direct obligations:							
1. Technical assistance.....	\$426,041,897	8,202	\$478,018,000	8,528	+\$8,143,000	\$486,161,000	8,528
2. Soil surveys.....	69,697,637	1,166	72,554,000	1,166	--	72,554,000	1,166
3. Snow survey and water forecasting	5,553,439	73	5,713,000	73	--	5,713,000	73
4. Operation of plant materials centers	7,856,870	138	8,064,000	138	--	8,064,000	138
Total direct obligations.....	509,149,843	9,579	564,349,000	9,905	+8,143,000	572,492,000	9,905
Unobligated balance lapsing.....	(639,501)	--	--	--	--	--	--
Adjusted appropriation.....	(509,789,344)	(9,579)	(564,349,000)	(9,905)	(+8,143,000)	(572,492,000)	(9,905)
Reimbursable obligations:							
1. Technical assistance.....	39,625,513	741	53,970,000	1,080	+21,128,000	75,098,000	1,603
2. Soil surveys.....	7,448,633	169	7,760,000	169	--	7,760,000	169
3. Snow survey and water forecasting	226,132	3	235,000	3	--	235,000	3
4. Operation of plant materials centers	817,740	7	855,000	7	--	855,000	7
Total, reimbursable obligations.....	48,118,018	920	62,820,000	1,259	+21,128,000	83,948,000	1,782
Obligational authority.....	\$557,267,861	10,499	\$627,169,000	11,164	+\$29,271,000	\$656,440,000	11,687

SOURCES OF REIMBURSEMENTS

Project	1991		1992 estimated		Increase or Decrease	1993 estimated	
	Amount	Staff : Years	Amount	Staff : Years		Amount	Staff : Years
Within USDA:							
Agricultural Stabilization & Conservation Service.....	\$21,374,233	562	\$34,765,000	901	+\$21,128,000	\$55,893,000	1,424
Office of International cooperation & Development.....	728,203	11	1,000,000	11	--	1,000,000	11
Other.....	8,043,642	35	8,375,000	35	--	8,375,000	35
Other Federal.....	7,299,282	103	7,605,000	103	--	7,605,000	103
Non-Federal:							
State & Counties for soil surveys.....	4,022,832	98	4,185,000	98	--	4,185,000	98
Other.....	6,649,826	111	6,890,000	111	--	6,890,000	111
Total reimbursements.	\$48,118,018	920	\$62,820,000	1,259	+\$21,128,000	\$83,948,000	1,782

OUTLAYS

Project	1991	1992	Increase or Decrease	1993
	Actual	Estimated		Estimated
1. Technical assistance	\$418,425,776	\$465,333,000	+\$16,993,000	\$482,326,000
2. Soil Surveys.....	68,451,692	71,157,000	+1,042,000	72,199,000
3. Snow survey and water forecasting.....	5,454,164	5,609,000	+76,000	5,685,000
4. Operation of plant materials centers.....	7,716,416	7,920,000	+106,000	8,026,000
Total outlays.....	\$500,048,048	\$550,019,000	+\$18,217,000	\$568,236,000

EXPLANATION OF PROGRAM

The appropriation "Conservation Operations" funds Soil Conservation Service activities authorized by Public Law 74-46 of April 27, 1935 (16 U.S.C. 590-590f); the Rural Development Act of 1972 (7 U.S.C. 1010a); and the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2001-2009). Technical assistance and information are provided to assist land users and units of government to maintain and enhance the quality of the natural resource base for sustained use; to protect and improve the quality of the environment; and to improve the standard of living and quality of life in rural communities. Activities are directed at reducing excessive soil erosion and agricultural nonpoint source pollution of water; improving irrigation efficiency; making more effective use of water; enhancing and restoring wetlands; and improving the ecological condition of range and other grazing lands. Specific programs administered under this appropriation include:

1. Technical assistance. The Soil Conservation Service provides technical assistance to farmers, ranchers, other land users, units of state and local government, and other Federal agencies through a system of about 3,000 county-level field offices in the 50 states, Puerto Rico, the Virgin Islands, and the Pacific Basin area. Most technical assistance is delivered under memoranda of understanding with 2,955 conservation or special districts which are legal subdivisions of state government organized to develop and carry out locally-adapted conservation programs to protect, conserve, and enhance the natural resource base and the environment. This partnership is the basis for cooperative conservation programs among Federal, state, and local governments as well as the private sector. State and local appropriations for conservation programs amounted to \$508 million in 1991. Private land users typically bear about 70 percent of the cost of applying conservation treatment.

SCS technical assistance is provided by an interdisciplinary, professional workforce of trained resource conservation and management specialists who inventory and interpret site specific information about soil, plant, water, and other physical conditions to identify natural resource or environmental needs; to develop feasible alternatives for corrective or preventive action; and to help land users plan and apply appropriate conservation treatment and management practices. Technical guidelines are developed and continually updated to reflect new technology, research results, and experience in the application of sound, practical, and effective conservation practices and management systems that are economically and environmentally sustainable. Standards and specifications for applying selected conservation practices such as crop residue management, grassed waterways, terraces, planned grazing systems, and shelterbelts are established. Guidelines and standards are based on the unique conditions and combinations of resources in a given geographical area. They are widely used by other Federal, state, and local agencies involved in environmental protection and natural resources management activities carried out to meet national, state, and local goals and requirements.

The Conservation technical assistance program provides the resources to carry out the following major USDA conservation responsibilities:

- Implementation of the Conservation Title of the Food Security Act (FSA) of 1985. Technical assistance is provided to implement the highly erodible land, wetland conservation, Conservation Reserve Program, Wetland Reserve Program, Water Quality Incentives Program, and Integrated Farm Management Program provisions of the 1985 Food Security Act and the Food, Agriculture, Conservation and Trade Act of 1990. SCS field technicians make the highly erodible land and wetland determinations to establish program eligibility. They assist land users in the preparation of conservation plans and the application of practices needed to ensure compliance with the law. Producers had until December 31, 1989, to have an approved conservation plan developed on all highly erodible cropland in order to retain their eligibility for USDA farm program benefits. They must be actively applying their plans and have the approved conservation

measures installed by December 31, 1994. As of September 30, 1991, nearly 1.3 million compliance plans covering 135 million acres had been prepared. Conservation measures have been installed on nearly 67 million acres or about 50 percent of the total acres under compliance plans. Through the 11th program signup, the CRP has enrolled approximately 35.5 million acres of highly erodible and other environmentally sensitive land in 10-year contracts for the establishment of conservation practices to reduce erosion, improve water quality, provide wildlife habitat, and provide other environmental benefits. SCS will also assist producers to develop and implement plans to restore, improve and enhance wetlands under the new Wetland Reserve Program.

- Erosion Reduction on Rural Lands. A top priority for technical assistance is the reduction of excessive soil erosion on agricultural and other rural lands. Efforts are focused on those lands where wind and water erosion is causing the most serious problems affecting long-term productivity and considering the severity of offsite environmental damages. Conservation treatment for erosion control is needed on 327.2 million acres of non-federal rural land including 228.3 million acres of cropland, 64.5 million acres of rangeland, and 34.3 million acres of other land. Erosion problems on about 118 million acres of highly erodible cropland are being addressed as FSA compliance plans are implemented. Conservation compliance does not apply to excessively eroding rangeland, pastureland, or forest land, nor to other eroding cropland that does not meet the technical criteria as predominantly highly erodible. Conservation planning and application assistance for controlling erosion on these lands is provided as part of the basic, voluntary technical assistance program.
- Water Quality Protection. Protection of the quality of surface and groundwater against harmful contamination from nonpoint sources is a major national conservation priority for USDA. Technical assistance is provided to reduce and prevent potential agricultural nonpoint sources of pollution including sediment, nutrients, animal wastes, pesticides, salts, and other agricultural chemicals. SCS works with farmers, ranchers, and other land users to promote the adoption of alternative crop management systems, improvements in the use and management of nutrients and chemicals, and the application of other conservation practices designed to prevent the contamination of surface and groundwater. Assistance is provided in cooperation with state agencies to develop and implement water quality management plans required under Section 319 of the Water Quality Act of 1987. These plans identify problem areas, establish priorities for taking action, and identify the means for improving the affected waters by the application of best management practices (BMP's). SCS helps producers carry out approved conservation plans that incorporate state-approved BMP's to meet their water quality protection responsibilities under the Water Quality Act.

Under the USDA water quality initiative, accelerated technical assistance and technology development is underway to address critical water quality concerns in areas impacted by agricultural activities. The objective of this initiative is the voluntary adoption of environmentally sensitive and economically feasible management practices by farmers and ranchers. Work is underway in 74 USDA designated hydrologic unit areas with significant water quality problems. Sixteen USDA demonstration projects have been established to show the effectiveness of selected conservation practices in treating specific nonpoint source pollution problems and to promote the use of the practices in other areas. Technical assistance is also provided in support of ongoing regional water quality initiatives including the Chesapeake Bay, the Great Lakes, the Gulf Coast, the Tennessee Valley Land and Water 201 program, and the Colorado River Basin. Implementation of EPA's national estuaries and wellhead protection programs incorporates SCS technical assistance for local and state program support.

- Assistance for other national, state, and local conservation priorities. SCS technical assistance is provided in support of other environmental and natural resources concerns recognizing geographical differences in resource conditions and needs, and the extent of state and local involvement. Assistance is focused on the most severe problems in a given area. Examples of other priorities addressed include such resource concerns as:
 - o Conserving water used in agriculture including improving irrigation water management and soil moisture.
 - o Improving the condition of non-federal range-land, pastureland, and forest land emphasizing the conservation and improvement of permanent vegetation for erosion control, forage production, water conservation, water quality, wildlife habitat, and recreation.
 - o Protecting, restoring and enhancing wetlands
- National Resources Inventories. National resources inventories are conducted at 5-year intervals to provide updated information on the use, condition, and trends of the Nation's soil, water, and related resources on rural non-federal land. Data are collected on such items as land use, land cover, erosion by wind and water, prime farmland, water bodies, wetlands, cropland use, irrigation, and conservation treatment needs for various land uses. NRI data are used extensively by Congress, Federal and state agencies, and others to formulate conservation policy and legislation; to appraise effects and progress in conservation programs; to aid in research and modeling efforts, and to target resources to the highest priority needs. Three NRI's were conducted in 1977, 1982, and 1987. The 1992 NRI has been initiated.
- Resource Appraisal and Program Development. SCS provides leadership for the development and preparation of the resource appraisal, national conservation program, and statement of policy required by the Soil and Water Resources Conservation Act (RCA). The Act directs the Secretary of Agriculture to conduct periodic appraisals of the soil, water, and related resources of the Nation; to develop and periodically update a national program for soil and water conservation; and to report the results to Congress at 10-year intervals. The current National Conservation Program covers the period 1988 through 1997. A plan of work is being prepared for the third RCA appraisal.
- Support for other Federal programs. A number of other Federal programs and activities depend upon the technical expertise and delivery system of SCS for the cooperative implementation of authorized conservation programs. Technical assistance is provided to individuals and groups participating in conservation cost-sharing programs administered by ASCS, including the Agricultural Conservation Program, the Colorado River Salinity Control Program, the Conservation and Wetland Reserve Programs, the Emergency Conservation Program, and the Water Bank Program. SCS technical support is provided for implementation of Surface Mine Control and Reclamation Programs of the Department of the Interior; the Coastal Zone Management program of the Commerce Department; and the Chesapeake Bay Agreement, National Estuary and Clean Lakes programs of the Environmental Protection Agency. Under agreements with the Agency for International Development, SCS provides technical assistance to foreign countries and training of foreign agriculturalists in the application and use of soil and water conservation technologies.

Overall accomplishments under the Conservation Technical Assistance program are as follows:

	FY 1991 <u>Actual</u>	FY 1992 <u>Estimate</u>	FY 1993 <u>Estimate</u>
Decisionmakers receiving technical services (000's).....	1,245	1,250	1,260
Acres treated through conservation technical assistance (000's).....	59,698	62,050	62,900
Tons of soil erosion reduced (000's).	282,554	293,700	297,700

2. Soil surveys - Special investigations and interpretations are made to determine the kinds of soil, potential alternative uses, and their needs for full use and conservation. Each soil survey includes field mapping and necessary correlation, interpretation, investigations, and laboratory work. These surveys are conducted cooperatively with other Federal agencies, land grant universities, other State agencies, and local units of government. The published soil survey for a county or designated area includes maps and interpretations with explanatory information that is the foundation of resource planning and decision making for Federal, State, county, and local community programs. Special reports are prepared and released as needed for local uses. Current program emphasis is being placed on project mapping and soils interpretation assistance to private individuals and other Federal, State and local decision makers who received a diminished level of technical assistance during the acceleration of mapping on Food Security Act impacted land where soil survey information was not available. Emphasis is also being placed on designing mapping units and providing interpretations that will address water quality assessments and the wetland and highly erodible land provisions of the Food Security Act.

Actual and projected accomplishments for the soil survey program are as follows:

	FY 1991 <u>Actual</u>	FY 1992 <u>Estimate</u>	FY 1993 <u>Estimate</u>
Acres mapped annually by SCS (millions).....	37.5	32.4	32.4
Soil surveys ready for publication (number).	70	60	60

3. Snow survey and water forecasting - Snow survey and water forecasting provides a valuable service to irrigators and others who rely upon snow data and water supply forecasts in planning annual operations. More than 10,000,000 acres of irrigated land in the Western States and Alaska are served by water supply forecasts. Although water supply forecasts are geared primarily to the needs of rural farm and ranch operators, they are used extensively by a wide variety of water management groups that have responsibility for flood control, recreation, fish and wildlife, power generation, municipal and industrial water supply, and water quality management.
4. Operation of plant materials centers - Plant materials centers are operated for testing, selection, and providing for the commercial production of plants for erosion control, water quality, special conservation purposes, and adaptation to unusual soil and site conditions. The work at the 26 centers includes cooperation with State and Federal agencies, commercial businesses, and seed and nursery associations to encourage release, production, and use of new or uncommon plant materials needed in soil and water conservation programs. Over 200 new conservation plant varieties from this program are in large scale use in combating the many problems encountered in a total program of soil, water, and related resource conservation. Eleven new conservation plants were released for conservation purposes during FY 1991.

OIG Reports

04600-4-FM(2)	4-10-91	Security Over SCS 3B2 Computers.
10600-1-AT	9-12-91	Rural Abandoned Mine Program.

10099-10-KC	10-05-90	Implementation of Farm Conservation Compliance under the FSA of 1985.
10099-11-KC	In Progress	Status Review Process for Conservation Plans.
03099-162-KC	In Progress	Wetlands Provisions of FSA.
5060003	In Progress	Conservation Compliance Reviews.
5099028-AT	In Progress	Hazardous Materials Management.

GAO Reports

RCED-91-09	2-26-91	Overhaul of USDA Farm Agencies' Field Structure.
RCED-91-192	8-30-91	Abandoned Mine Land Fund.
IMTEEC-91-72FS	9-27-91	Federal Use and Coordination of Geographic Information Systems.
RCED-92-79FS	11-22-91	Overview of USDA and Other Federal Wetland Conservation Efforts.
RCED-91-10	11-22-91	Water Pollution: Greater EPA Leadership Needed to Reduce Nonpoint Source Pollution.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase in appropriation (and in available funds) of \$8,143,000 for technical assistance consisting of:

- (a) An increase of \$1,938,000 in technical assistance to support implementation of the conservation provisions of the Food Security Act of 1985 and the amendment in the Food, Agriculture, Conservation and Trade Act of 1990. (\$478,018,000 available for conservation technical assistance activities in 1992).

Need for Change. The Soil Conservation Service (SCS) provides technical assistance to agricultural producers to help ensure compliance with the conservation provisions of the Food Security Act of 1985 (FSA) and the Food, Agriculture, Conservation and Trade Act of 1990 (FACT). Specific technical assistance responsibilities include:

- Making technical determinations of highly erodible lands (HEL) and wetlands, and resolving appeals related to these determinations;
- Developing, in cooperation with the producer, conservation compliance plans on highly erodible cropland;
- Determining eligibility and assisting with the planning and implementation of conservation practices on highly erodible and other environmentally sensitive land included under Conservation Reserve Program contracts;
- Determining eligibility and assisting with the development and implementation of wetland restoration plans under the Wetland Reserve Program;
- Providing technical assistance to producers to apply the practices included in conservation plans on HEL; and
- Certifying compliance with the HEL and wetland provisions of the law for the purpose of determining eligibility for continued participation in USDA farm programs.

HEL and/or wetland determinations were made on approximately 2.4 million U.S. farms between 1986 and 1991. As of December 31, 1989, conservation plans had been developed for nearly 1.3 million landowners covering about 135.3 million acres of highly erodible cropland. Approximately 52 percent

of the plans had all the required conservation practices installed as of October 1, 1991. Adequate conservation systems must be installed on the remaining 68 million acres by December 31, 1994. Conservation plans currently include an estimated 205 thousand miles of terraces and 1.3 million acres of grassed waterways, as well as other engineering and agronomic practices needed to achieve substantial reductions in erosion rates. Acres under conservation tillage are expected to increase by a minimum of 46 million acres, a 63 percent increase over current levels, when all the plans are installed.

The technical assistance workload related to implementing the requirements of the law is considerable. The estimated workload significantly exceeds the available staff in 25 states, and eight of these states (Iowa, North Carolina, Alabama, Indiana, Washington, Ohio, Colorado, and Virginia) were running 10 percent or more behind the national average for compliance plans and acres actually installed at the start of fiscal year 1992. These eight states account for 24 percent of the total acres included in compliance plans. In addition, several other states are allocating over 80 percent of existing staff resources to this work. Every available means is being employed to meet this workload as effectively and efficiently as possible. Assistance is being provided to groups of producers rather than on an individual basis wherever possible. Volunteers and conservation district employees are providing assistance. Automation is being utilized, where available, to save time spent on supporting technical and administrative tasks such as plan development, scheduling, case file documentation, data sharing with other USDA agencies involved, and progress reporting. In some areas of the country, trained conservation contractors are helping producers install the required conservation practices with minimal SCS on-site assistance. These, and other measures, are being used to increase the quality of assistance and the productivity of SCS field employees. There is a need, however, to increase the level of resources available to producers for implementing their compliance plans before the December 31, 1994, deadline. The additional funds requested for 1993 are needed to help complete the scheduled implementation of the approved conservation compliance plans, especially in those high workload states.

Nature of Change. The additional \$1,938,000 would be used to provide additional resources for problem areas that are significantly behind the implementation schedule called for in the approved conservation plans. The funds would be directed to those areas with the heaviest concentration of work related to implementing conservation compliance plans, and where there are serious shortages of field office staff available to do the work. This increase would maintain current staffing levels needed to support the implementation of conservation plans.

- (b) A total increase of \$6,205,000 for pay costs which consists of \$3,887,000 for the annualization of the 1992 pay raise, and \$2,318,000 for partial Fiscal Year 1993 pay raise.

Soil Conservation Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1990 AND estimated 1991 and 1992
 CONSERVATION OPERATIONS

	1991		1992		1993	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$9,433,519	193	\$10,932,413	203	\$11,125,371	203
ALASKA.....	1,939,003	29	2,160,033	29	2,178,200	29
ARIZONA.....	4,954,363	84	5,765,556	84	5,818,178	84
ARKANSAS.....	9,926,153	197	10,445,457	197	10,568,868	197
CALIFORNIA.....	13,369,307	236	14,281,643	236	14,429,486	236
COLORADO.....	11,595,628	239	13,145,755	243	13,324,785	243
CONNECTICUT....	1,912,778	33	1,820,702	33	1,841,375	33
DELAWARE.....	1,138,657	16	1,426,011	16	1,436,034	16
FLORIDA.....	7,335,966	132	7,974,797	132	8,057,489	132
GEORGIA.....	10,746,770	224	12,443,513	226	12,598,086	226
HAWAII.....	2,860,292	46	3,304,123	46	3,332,940	46
IDAHO.....	8,459,456	164	9,503,326	164	9,606,064	164
ILLINOIS.....	13,461,553	277	15,039,244	302	15,400,618	302
INDIANA.....	11,234,265	225	12,388,154	238	12,622,529	238
IOWA.....	18,299,304	436	21,045,715	479	21,635,739	479
KANSAS.....	16,259,331	363	18,507,394	384	18,890,085	384
KENTUCKY.....	11,460,668	254	13,079,119	279	13,418,776	279
LOUISIANA.....	7,979,124	162	8,678,064	162	8,779,549	162
MAINE.....	2,775,211	52	2,854,073	52	2,886,648	52
MARYLAND.....	4,908,716	93	5,068,440	93	5,126,700	93
MASSACHUSETTS..	2,419,998	40	2,295,356	40	2,320,414	40
MICHIGAN.....	9,461,865	169	10,270,153	169	10,376,023	169
MINNESOTA.....	11,574,320	230	13,089,370	234	13,264,387	234
MISSISSIPPI....	9,921,701	199	11,182,554	208	11,372,958	208
MISSOURI.....	15,996,894	336	18,437,682	361	18,829,518	361
MONTANA.....	13,518,478	291	15,118,182	312	15,453,332	312
NEBRASKA.....	13,583,599	311	15,500,570	321	15,765,012	321
NEVADA.....	2,971,994	55	3,236,462	55	3,270,917	55
NEW HAMPSHIRE..	1,860,631	34	1,929,370	34	1,950,669	34
NEW JERSEY.....	2,869,093	49	2,984,270	49	3,014,966	49
NEW MEXICO.....	7,067,510	140	7,760,537	140	7,848,240	140
NEW YORK.....	7,902,824	153	9,061,477	153	9,157,324	153
NORTH CAROLINA..	9,645,741	189	10,818,619	203	11,035,942	203
NORTH DAKOTA...	11,520,491	237	12,420,960	251	12,671,601	251
OHIO.....	9,833,658	197	11,056,458	202	11,217,113	202
OKLAHOMA.....	11,084,454	236	12,667,000	247	12,894,018	247
OREGON.....	7,832,807	153	8,506,861	157	8,631,204	157
PENNSYLVANIA...	7,880,243	161	8,703,693	168	8,851,983	168
PUERTO RICO....	2,648,298	50	2,886,879	50	2,918,202	50
RHODE ISLAND...	885,998	13	685,839	13	693,983	13
SOUTH CAROLINA..	5,773,307	110	6,372,457	111	6,450,115	111
SOUTH DAKOTA...	8,586,393	173	9,567,911	178	9,710,282	178
TENNESSEE.....	10,020,924	194	11,538,288	206	11,743,683	206
TEXAS.....	31,320,777	633	35,841,581	656	36,181,977	656
UTAH.....	5,739,579	112	5,878,325	112	5,948,488	112
VERMONT.....	2,229,628	42	2,307,658	42	2,333,969	42
VIRGINIA.....	8,112,582	156	8,897,450	156	8,995,176	156
WASHINGTON.....	9,187,864	169	10,149,183	178	10,319,981	178
WEST VIRGINIA...	4,708,555	101	5,420,074	101	5,483,346	101
WISCONSIN.....	9,832,384	200	11,196,907	209	11,385,501	209
WYOMING.....	5,168,133	109	5,708,146	109	5,776,429	109
CHESTER NTC....	2,497,210	38	2,639,813	38	2,663,618	38
FORT WORTH NTC..	13,936,497	213	14,779,876	213	14,913,310	213
LINCOLN NTC....	11,029,715	174	11,442,947	174	11,551,950	174
PORTLAND NTC...	6,526,299	72	6,410,388	72	6,455,492	72
PACIFIC BASIN...	873,314	15	975,962	15	985,359	15
NATIONAL HDQTRS	43,076,021	370	46,746,210	370	46,977,997	370

Total, Available
 or Estimate \$509,149,843 9,579 \$564,349,000 9,905 \$572,492,000 9,905

SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

River Basin Surveys and Investigations

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), [~~\$13,251,000~~] \$10,082,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$60,000 shall be available for employment under 5 U.S.C 3109.

River Basin Surveys and Investigations

Appropriation Act, 1992.....	\$13,251,000
Budget Estimate, 1993.....	<u>10,082,000</u>
Decrease in Appropriation.....	<u>-\$3,169,000</u>

SUMMARY OF INCREASES AND DECREASES (On basis of appropriation)

Item of Change	1992 Estimated	Program Changes	1993 Estimated
River Basin Surveys:			
1. USDA cooperative studies.....	\$7,689,000	-\$1,839,000	\$5,850,000
2. Flood plain management assistance.....	3,454,000	-826,000	2,628,000
3. Interagency coordination and program formulation.....	2,108,000	-504,000	1,604,000
TOTAL AVAILABLE.....	<u>\$13,251,000</u>	<u>-\$3,169,000</u>	<u>\$10,082,000</u>

PROJECT STATEMENT (On basis of appropriation)

Project	1991 Amount	1991 :Staff: :Years:	1992 Estimated Amount	1992 Estimated :Staff: :Years:	Increase or Decrease	1993 Estimated Amount	1993 Estimated :Staff: :Years:
River Basin Surveys:							
1. USDA cooperative studies.....	\$7,462,834	120:	\$7,689,000	120:	-\$1,839,000	\$5,850,000	90
2. Flood plain mgmt. assistance.....	3,304,000	54:	3,454,000	54:	-826,000	2,628,000	40
3. Interagency coord. and program form..	2,016,000	30:	2,108,000	30:	-504,000	1,604,000	24
Total available or est	<u>\$12,782,834</u>	<u>204:</u>	<u>\$13,251,000</u>	<u>204:</u>	<u>-\$3,169,000</u>	<u>\$10,082,000</u>	<u>154</u>
G-R-H red., PL 101-177.	+166	--:					
Total Appropriation...	<u>\$12,783,000</u>	<u>204:</u>					

PROJECT STATEMENT (On basis of available funds)

Project	1991 Amount	1991 :Staff: :Years:	1992 Estimated Amount	1992 Estimated :Staff: :Years:	Increase or Decrease	1993 Estimated Amount	1993 Estimated :Staff: :Years:
Direct obligations:							
River Basin Surveys:							
1. USDA cooperative studies.....	\$7,354,459	120:	\$7,689,000	120:	-\$1,839,000	\$5,850,000	90
2. Flood Plain manage- ment assistance...	3,304,206	54:	3,454,000	54:	-826,000	2,628,000	40
3. Interagency coord. and program form..	2,016,126	30:	2,108,000	30:	-504,000	1,604,000	24
Total direct oblig...	12,674,791	204:	13,251,000	204:	-3,169,000	10,082,000	154
Unobligated balance lapsing.....	(+108,043)	(--)	(--)	(--)	(--)	(--)	(--)
Total available or est	(12,782,834)	(204)	(13,251,000)	(204)	(-3,169,000)	(10,082,000)	(154)
Reimbursable oblig....	566,178	13:	1,000,000	16:	--:	1,000,000	16
Obligational authority	<u>\$13,349,012</u>	<u>217:</u>	<u>\$14,251,000</u>	<u>220:</u>	<u>-\$3,169,000</u>	<u>\$11,082,000</u>	<u>170</u>

SOURCES OF REIMBURSEMENTS

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
River Basin Surveys:				
USDA cooperative studies.....	\$40,471	\$71,000	--	\$71,000
Flood Insurance Studies.....	189,434	480,000	--	480,000
Other Federal Sources.....	113,351	200,000	--	200,000
Other Non-Federal Sources.....	222,922	249,000	--	249,000
Total reimbursements.....	<u>\$566,178</u>	<u>\$1,000,000</u>	<u>--</u>	<u>\$1,000,000</u>

OUTLAYS

<u>Project</u>	<u>1991</u>	<u>:</u>	<u>1992</u>	<u>:</u>	<u>Increase or</u>	<u>:</u>	<u>1993</u>
	<u>Actual</u>	<u>:</u>	<u>Estimated</u>	<u>:</u>	<u>Decrease</u>	<u>:</u>	<u>Estimated</u>
River Basin Surveys:		:		:		:	
1. USDA Cooperative Studies.....	\$7,189,053:		\$7,645,000:		-\$1,518,000	:	\$6,127,000
2. Flood plain management assistance	3,229,892:		3,435,000:		-683,000	:	2,752,000
3. Interagency coordination and program formulation.....	1,970,782:		2,096,000:		-417,000	:	1,679,000
Total Outlays.....	<u>\$12,389,727:</u>		<u>\$13,176,000:</u>		<u>-\$2,618,000</u>	:	<u>\$10,558,000</u>

EXPLANATION OF PROGRAM

The appropriation "River Basin Surveys and Investigations," funds three activities as authorized by Public Law 83-566, as amended. The Department cooperates with other Federal and State agencies in making surveys and investigations of watersheds of rivers and other waterways. Activities include:

1) USDA Cooperative Studies:

The Department participates in:

- Studies of agricultural and other rural land and water resources within river basins to gather basic data on existing and potential water supplies, present and future land use, current and potential economic development, and existing erosion and sediment problems.
- Studies and investigations are made of agricultural, rural, and upstream water and land resources and problems to determine corrective actions needed and potentials for conservation, use and development. Evaluations include:
 - Erosion and sediment damage to rural lands and properties,
 - Upstream floodwater damage to rural lands and properties,
 - Maintaining existing drainage of agricultural lands,
 - Agricultural drought problems and potential for water conservation,
 - Agricultural water needs for livestock and domestic use,
 - Forest-based industries,
 - Municipal and industrial water needs.

The planning activity gives consideration to finding alternative combinations of land treatment, structural and nonstructural measures to solve the area's problems, meet the identified needs, and develop the indicated potentials.

2) Flood plain management assistance:

- Is carried out in cooperation with State and local governments,
- Identifies flood hazards on selected flood plain reaches,
- Provides reports which include flood profiles and maps showing areas subject to flooding by select frequency floods,
- Provides information needed by State and local governments to implement land use and flood plain management programs.

3) Interagency Coordination and Program Formulation:

- Provides national policy and program leadership direction to studies of river basins, flood plain management, and Colorado River Salinity activities;
- Provides USDA participation in water policy and program coordination at the National level.
- Provides USDA membership and participation in the activities of three Federal-State Interagency Committees (SEBIAC, PSIAC, AWRBIAC), the Susquehanna and Delaware River Basin Commissions, and other regional entities involved in water and related resource planning and coordination.
- Provides reviews of proposed reports and water projects of other Departments and agencies.

The following tabulation shows the number of surveys and obligations by type of survey for fiscal years 1991, 1992, and 1993.

	1991	1992	1993
1. Surveys in cooperation with State and other Federal agencies:			
a. Surveys in progress, start of year.....	67	74	65
b. Surveys initiated during year.....	25	16	0
c. Surveys worked during year.....	92	90	65
d. Surveys completed during year.....	18	25	20
e. Surveys in progress, end of year.....	74	65	45
Cumulative total surveys initiated.....	401	417	417
Cumulative total surveys completed.....	329	354	374
Total Cost Cooperative Surveys (000's).....	\$7,355	\$7,689	\$5,850
2. Flood Plain Management Assistance Program:			
a. States participating in Flood Plain Management Studies	35	30	19
(1) Ongoing studies (SOY).....	78	72	66
(2) New Studies.....	11	15	0
(3) Completed Studies.....	17	21	15
(4) Ongoing Studies (EOY).....	72	66	51
(5) Cumulative total completed.....	525	546	561
Total Cost Flood Plain Management Studies (000's)	\$3,304	\$3,454	\$2,628
b. Reimbursable Flood Insurance Studies (non-add) (000's).....	(\$189)	(\$480)	(\$480)
(1) Ongoing Studies (SOY).....	5	4	4
(2) New Studies.....	13	12	11
(3) Completed Studies.....	14	12	10
(4) Ongoing Studies (EOY).....	4	4	5
(5) Cumulative Total completed.....	526	538	548
3. Interagency Coordination and Program Formulation (000's).....	\$2,016	\$2,108	\$1,604
Total direct obligations (000's).....	<u>\$12,675</u>	<u>\$13,251</u>	<u>\$10,082</u>

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease in appropriation (and in available funds) of \$3,169,000 for the River Basins Surveys and Investigations program (\$13,251,000 available in 1992)

Need for Change. The proposed reduction reflects the continuing program emphasis on directing work to high priority resource concerns in areas where there is a high level of local participation and commitment to implementing study recommendations with other than federal program funds.

Nature of Change. Work on ongoing USDA cooperative studies, flood plain management studies and interagency coordination and program formulation would continue at about seventy-six percent of the current level. No new cooperative studies or flood plain management studies would be initiated and work on existing studies would be slowed.

Emphasis will be placed on continuing studies underway that address highest priority resource problems including reducing upstream flood losses, water quality improvement, protection and restoration of wetland, and drought management. Priority will be given to river basin program studies that foster the development and acceptance of resource plans to be implemented using state, local, private, and/or other Federal funds. Special consideration will also be given to ongoing activities that include significant sponsor study cost (direct study participation, reimbursable cost to USDA, or in-kind planning activities such as furnishing available data or maps). The least priority will be given to developing preliminary or pre-authorization reports for PL-566 projects. Efforts will continue to reduce the size and scope of cooperative studies. No new reimbursable flood insurance studies would be initiated and work on existing studies would be slowed.

SOIL CONSERVATION SERVICE
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
 1991 and Estimated 1992 and 1993
 RIVER BASIN SURVEYS AND INVESTIGATIONS

	1991		1992		1993	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$259,937	4	\$390,615	6	\$314,801	4
ALASKA.....	200,001	3	195,308	3	125,921	2
ARIZONA.....	189,876	3	226,167	4	188,881	3
ARKANSAS.....	276,978	5	287,822	5	251,841	4
CALIFORNIA.....	455,001	8	477,989	7	314,801	5
COLORADO.....	175,994	3	179,889	3	125,921	2
CONNECTICUT.....	156,004	3	169,609	3	125,921	2
DELAWARE.....	89,927	2	51,397	1	62,960	1
FLORIDA.....	270,000	4	236,425	4	188,881	3
GEORGIA.....	192,944	3	185,028	3	125,921	2
HAWAII.....	189,567	3	164,469	3	125,921	2
IDAHO.....	200,971	3	246,704	4	188,881	3
ILLINOIS.....	248,763	4	262,123	4	188,881	3
INDIANA.....	279,774	5	277,542	4	188,881	3
IOWA.....	300,961	6	313,520	5	251,841	4
KANSAS.....	229,943	4	241,565	4	188,881	3
KENTUCKY.....	311,778	6	200,447	3	125,921	2
LOUISIANA.....	187,301	3	195,308	3	125,921	2
MAINE.....	74,902	2	67,844	1	62,960	1
MARYLAND.....	98,001	2	92,514	1	62,960	1
MASSACHUSETTS....	22,301	1	7,915	0	6,429	0
MICHIGAN.....	229,942	4	226,146	4	188,881	3
MINNESOTA.....	350,999	6	359,777	6	314,801	4
MISSISSIPPI.....	279,991	5	292,961	5	251,841	4
MISSOURI.....	423,732	7	385,475	6	314,801	4
MONTANA.....	177,000	3	174,749	3	125,921	2
NEBRASKA.....	364,995	6	354,637	6	314,801	4
NEVADA.....	0	0	51,397	1	62,960	1
NEW HAMPSHIRE....	141,194	3	190,476	3	125,921	2
NEW JERSEY.....	130,001	3	143,911	2	125,921	2
NEW MEXICO.....	149,933	3	174,749	3	125,921	2
NEW YORK.....	179,569	4	195,308	3	125,921	2
NORTH CAROLINA...	300,184	5	267,263	4	188,881	3
NORTH DAKOTA.....	220,001	4	231,285	4	188,881	3
OHIO.....	305,741	4	323,799	5	251,841	4
OKLAHOMA.....	175,000	3	164,469	3	125,921	2
OREGON.....	74,897	1	118,212	2	125,921	2
PENNSYLVANIA.....	25,841	0	102,793	2	125,921	2
PUERTO RICO.....	160,900	3	195,308	3	125,921	2
RHODE ISLAND.....	56,499	1	67,844	1	62,960	1
SOUTH CAROLINA...	219,999	4	231,285	4	188,881	3
SOUTH DAKOTA.....	89,971	1	133,631	2	125,921	2
TENNESSEE.....	264,987	6	251,844	4	188,881	3
TEXAS.....	199,990	3	185,028	3	125,921	2
UTAH.....	150,001	2	113,073	2	125,921	2
VERMONT.....	150,000	3	154,190	2	125,921	2
VIRGINIA.....	116,373	2	185,028	3	125,921	2
WASHINGTON.....	231,987	3	236,425	4	188,881	3
WEST VIRGINIA....	259,951	4	256,984	4	188,881	3
WISCONSIN.....	169,999	3	185,028	3	125,921	2
WYOMING.....	200,001	3	205,587	3	125,921	2
CHESTER NTC.....	74,849	1	82,235	1	62,960	1
FORT WORTH NTC...	390,904	7	353,609	6	314,801	4
LINCOLN NTC.....	150,998	3	205,587	3	125,921	2
PORTLAND NTC.....	100,898	1	107,933	2	125,921	2
NATIONAL HEADQTRS	965,766	6	1,022,774	11	623,163	9
FS ALLOCATION....	780,774	10	850,000	10	575,000	9
Total Available or Estimate.....	\$12,674,791	204	\$13,251,000	204	\$10,082,000	154

SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Watershed Planning

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), [~~\$9,545,000~~] \$6,391,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.

Watershed Planning

Appropriation Act, 1992.....	\$9,545,000
Budget Estimate, 1993.....	<u>6,391,000</u>
Decrease in Appropriation.....	<u>-3,154,000</u>

SUMMARY OF INCREASES AND DECREASES

(on basis of appropriation)

Item of Change	1992 Estimated	Program Changes	1993 Estimated
Watershed Planning.....	\$9,545,000	-\$3,154,000	\$6,391,000

PROJECT STATEMENT

(On basis of appropriation)

Project	1991 Amount	1991 :Staff: :Years:	1992 Estimated Amount	1992 Estimated :Staff: :Years:	Increase or Decrease	1993 Estimated Amount	1993 Estimated :Staff: :Years:
Watershed Planning.	\$9,175,881	: 157 :	\$9,545,000	: 157 :	-\$3,154,000	\$6,391,000	: 104 :
G-R-H, PL 101-177..	+119	: -- :					
Total Appropriation	<u>\$9,176,000</u>	: 157 :					

PROJECT STATEMENT

(On basis of available funds)

Project	1991 Amount	1991 :Staff: :Years:	1992 estimated Amount	1992 estimated :Staff: :Years:	Increase or Decrease	1993 estimated Amount	1993 estimated :Staff: :Years:
Direct Obligations:							
Watershed Planning:							
1. Small watershed planning auth- orized by PL-566	\$9,137,638	: 157 :	\$9,545,000	: 157 :	-\$3,154,000	\$6,391,000	: 104 :
Unobligated balance lapsing.....	(+38,243)	: -- :	--	: -- :	--	--	: -- :
Total avail. or est	(9,175,881)	: (157) :	(9,545,000)	: (157) :	(-3,154,000)	(6,391,000)	: (104) :
Reimbursable oblig.	141,051	: 2 :	200,000	: 2 :	--	200,000	: 2 :
Obligational auth..	<u>\$9,316,932</u>	: 159 :	<u>\$9,745,000</u>	: 159 :	<u>-\$3,154,000</u>	<u>\$6,591,000</u>	: 106 :

SOURCES OF REIMBURSEMENTS

	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Within USDA.....	\$16,330	\$23,000	--	\$23,000
Other Federal Sources.....	--	--	--	--
Non-federal Sources.....	124,721	177,000	--	177,000
Total reimbursements.....	<u>\$141,051</u>	<u>\$200,000</u>	<u>--</u>	<u>\$200,000</u>

OUTLAYS

	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Small watershed planning authorized by PL-566.....	\$9,027,943	\$9,644,000	-\$2,780,000	\$6,864,000

EXPLANATION OF PROGRAM

The appropriation "Watershed Planning," funds activities authorized by the Watershed Protection and Flood Prevention Act (Public Law 83-566), as amended, which relate to planning of individual watershed projects.

The Department makes surveys of proposed small watershed projects and prepares plans in cooperation with local sponsors. The planning activities consist of:

- Cooperation between the Federal Government and State governments and their political subdivisions in assisting local sponsoring organizations develop plans for proposed watershed projects,
- Conducting surveys and investigations to determine the land and water resource problems and opportunities within the watershed,
- Studying alternatives to provide the best combination of land treatment, nonstructural, and structural measures for the protection, conservation, development, management, and utilization of land, water, and related resources,
- Compiling information that is the basis for mutual agreement by the Department, local organizations, and the public concerning the possible alternative solutions which will best meet environmental, social, and economic goals,
- Making environmental assessments concurrently with other planning efforts for every proposed watershed project, and
- Preparing environmental impact statements when applicable and making them available to the public.

The watershed plans:

- Identify the soil and water management problems in the watershed.
- List the steps that have been or are authorized to be taken to alleviate these problems.
- Outline the proposed works of improvement to be installed.
- Itemize the estimated benefits and costs.
- Set out the cost-sharing and operation and maintenance arrangements.
- Present other facts necessary to justify Federal participation in project development.

The following table lists actual and projected progress for small watershed applications, planning, and operations.

<u>Activity</u>	<u>1991 Actual</u>	<u>1992 Estimate</u>	<u>1993 Estimate</u>
1. <u>Application for planning assistance:</u>			
On hand, cumulative, start of year...	2,394	2,402	2,422
Net change during year.....	<u>8</u>	<u>20</u>	<u>20</u>
On hand, cumulative, end of year....	2,402	2,422	2,442
Consisting of:			
a. Authorized for planning.....	2,111	2,141	2,161
b. Available for planning.....	291	281	281

<u>Activity</u>	<u>1991 Actual</u>	<u>1992 Estimate</u>	<u>1993 Estimate</u>
2. Status of planning:			
Authorized, cumulative, start of year	2,099	2,111	2,141
LESS:			
Suspended or terminated, cumulative, start of year.....	512	520	526
Completed, cumulative, start of year.	<u>1,500</u>	<u>1,523</u>	<u>1,553</u>
SUBTOTAL:			
Planning in process, start of year...	87	67	61
PLUS:			
New authorizations during year.....	11	30	0
LESS:			
Terminated during year.....	8	6	6
Completions during year.....	<u>23</u>	<u>30</u>	<u>20</u>
Planning in process, end of year.....	<u>67</u>	<u>61</u>	<u>35</u>
3. Status of projects in operations:			
Uncompleted projects start of year...	780	790	810
Projects approved for operations.....	23	30	20

JUSTIFICATION OF INCREASES AND DECREASES

A decrease in appropriation (and available funds) of \$3,154,000 for Small Watershed Planning authorized by PL-566 (\$9,545,000 available in FY 1992)

Need for Change. The proposed reduction reflects the need to achieve a more efficient balance between watershed project planning and implementation, and to fund only those plans for projects that address high priority, national environmental concerns.

Nature of Change. Planning activities would continue at about 67 percent of the 1992 level. No new planning starts would be initiated. Federal funding for the program would provide for the continued development of watershed plans in process, each of which must be cost effective and environmentally sensitive. These plans serve the public interest by formulating solutions to the country's most critical soil erosion problems, cropland and rural community flooding problems, and water conservation problems. Priority would be given to completing plans that address national environmental concerns including upstream flood control projects, water quality improvement projects, and water conservation projects. In addition, multiple purpose projects will also be assigned a higher priority than single purpose projects to maximize the public benefits. Emphasis will be placed on projects where local sponsors are willing and able to pay for the costs of measure installation following completion of the plan. Work on plans already in process would be slowed, and work on low priority plans would be discontinued. Plan completions in FY 1993 would be reduced to 20, or two-thirds of the 1992 level.

SOIL CONSERVATION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and estimated 1992 and 1993
WATERSHED PLANNING

	1991		1992		1993	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$199,938	4	\$180,488	3	\$123,584	2
ALASKA.....	79,979	2	134,077	2	61,792	1
ARIZONA.....	59,584	2	41,254	1	61,792	1
ARKANSAS.....	174,983	3	194,927	3	123,584	2
CALIFORNIA.....	399,995	7	428,014	7	247,168	4
COLORADO.....	146,993	2	128,920	2	61,792	1
CONNECTICUT....	50,002	1	47,339	1	61,792	1
DELAWARE.....	74,965	1	108,293	2	61,792	1
FLORIDA.....	79,966	2	87,665	2	61,792	1
GEORGIA.....	89,888	2	97,979	2	61,792	1
HAWAII.....	283,952	3	159,861	3	123,584	2
IDAHO.....	110,899	2	128,920	2	61,792	1
ILLINOIS.....	129,792	3	77,352	1	61,792	1
INDIANA.....	129,954	2	123,763	2	61,792	1
IOWA.....	234,952	6	251,651	4	185,376	3
KANSAS.....	279,957	5	290,843	5	185,376	3
KENTUCKY.....	109,974	2	128,920	2	61,723	1
LOUISIANA.....	144,938	3	155,735	3	123,584	2
MAINE.....	58,638	1	59,819	1	61,792	1
MARYLAND.....	60,151	1	67,038	1	61,792	1
MASSACHUSETTS..	30,001	1	51,568	1	61,792	1
MICHIGAN.....	100,172	2	85,603	1	61,792	1
MINNESOTA.....	164,998	3	176,632	3	123,584	2
MISSISSIPPI....	120,976	2	128,920	2	61,792	1
MISSOURI.....	322,995	6	326,941	6	247,188	4
MONTANA.....	263,995	5	175,331	3	123,584	2
NEBRASKA.....	275,000	7	293,937	5	185,376	3
NEVADA.....	163,999	1	113,449	2	61,792	1
NEW HAMPSHIRE..	133,192	2	191,833	3	123,584	2
NEW JERSEY.....	79,995	1	85,603	1	61,792	1
NEW MEXICO.....	79,993	2	51,568	1	61,792	1
NEW YORK.....	168,393	2	159,861	3	123,584	2
NORTH CAROLINA..	246,611	4	183,525	3	123,584	2
NORTH DAKOTA...	95,002	2	103,136	2	61,792	1
OHIO.....	199,632	4	214,522	4	135,425	3
OKLAHOMA.....	375,000	6	402,230	8	247,168	4
OREGON.....	99,910	2	123,763	2	61,792	1
PACIFIC BASIN..	46,925	1	128,920	2	61,792	1
PENNSYLVANIA...	104,492	2	107,261	2	61,792	1
PUERTO RICO....	59,999	1	61,881	1	61,792	1
RHODE ISLAND...	18,503	0	19,080	0	15,389	0
SOUTH CAROLINA..	100,000	2	108,293	2	61,792	1
SOUTH DAKOTA...	69,977	1	165,070	3	123,584	2
TENNESSEE.....	115,992	3	123,763	2	61,792	1
TEXAS.....	259,998	5	278,467	5	185,376	4
UTAH.....	99,824	1	53,631	1	61,792	1
VERMONT.....	41,598	1	42,904	1	61,792	1
VIRGINIA.....	61,906	1	118,606	2	61,792	1
WASHINGTON.....	75,996	1	103,136	2	61,792	1
WEST VIRGINIA..	215,980	4	232,056	4	135,376	2
WISCONSIN.....	25,000	0	134,077	2	61,792	1
WYOMING.....	87,004	1	85,603	1	61,792	1
CHESTER NTC....	197,582	3	221,470	4	135,376	2
FORT WORTH NTC.	320,880	6	336,223	6	247,168	4
LINCOLN NTC....	300,000	4	330,035	5	247,168	4
PORTLAND NTC...	300,761	5	330,035	5	247,168	4
NATIONL HDQTRS.	594,227	8	500,209	6	381,787	6
FS ALLOCATION..	221,630	1	303,000	2	150,000	2
TOTAL Availble or Estimate..	\$9,137,638	157	\$9,545,000	157	\$6,391,000	104

SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Watershed and Flood Prevention Operations

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, [\$205,266,000] \$152,961,000 (of which [\$36,091,000] \$20,400,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed [\$20,028,000] \$10,000,000 shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: [Provided further, That \$4,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931):] Provided further, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

This change deletes language authorizing the Farmers Home Administration to provide Watershed and Flood Prevention Operations loans from the Agricultural Credit Insurance Fund in FY 1993 since no funds are requested for this purpose in the FY 1993 budget.

Watershed and Flood Prevention Operations

	Watersheds Authorized by PL-534	Emergency Watershed Operations	Small Watersheds Authorized by PL-566	Total Watersheds and Flood Prevention
Appropriation Act, 1992.....	\$36,091,000	\$20,028,000	\$149,147,000	\$205,266,000
Budget Estimate, 1993.....	20,400,000	10,000,000	122,561,000	152,961,000
Decrease in Appropriation.....	<u>-\$15,691,000</u>	<u>-\$10,028,000</u>	<u>-\$26,586,000</u>	<u>-\$52,305,000</u>

SUMMARY OF INCREASES AND DECREASES

(on basis of appropriation)

<u>Item of Change</u>	1992 <u>Estimated</u>	Program <u>Changes</u>	1993 <u>Estimated</u>
Watershed and Flood Prev. Oper:			
1. Watershed oper. auth by PL-534..	\$36,091,000	-\$15,691,000	\$20,400,000
2. Emergency watershed prot. oper..	20,028,000	-10,028,000	10,000,000
3. Small watersheds auth. by PL-566	149,147,000	-26,586,000	122,561,000
TOTAL AVAILABLE.....	<u>\$205,266,000</u>	<u>-\$52,305,000</u>	<u>\$152,961,000</u>

PROJECT STATEMENT

(On basis of appropriation)

Project	1991	1992 estimated	Increase or Decrease	1993 estimated
	Amount :Staff: :Years:	Amount :Staff: :Years:		Amount :Staff: :Years:
1. Watershed operations authorized by PL-534:				
(a) Planning.....	\$946,000: 20:	\$995,000: 20:	-\$2,000	\$993,000: 18
(b) Technical assistance.....	12,976,000: 270:	13,646,000: 270:	-19,000	13,627,000: 252
(c) Financial assistance for construction:				
Direct Federal contracting....	10,627,680: --:	17,794,000: --:	-13,094,000	4,700,000: --
Payment for con- tracting by local sponsors.	2,136,000: --:	3,576,000: --:	-2,576,000	1,000,000: --
(d) Loan serv.(FmHA)	80,000: 2:	80,000: 2:	--	80,000: 2
Subtotal, flood prevention.....	26,765,680: 292:	36,091,000: 292:	-15,691,000(1)	20,400,000: 272
2. Emergency Watershed Protection Operation	19,999,751: 258:	20,028,000: 81:	-10,028,000(2)	10,000,000: 26
3. Small watersheds... authorized by PL-566				
(a) Technical.....				
assistance.....	56,125,800:1,058:	59,355,500:1,058:	+568,000	59,923,500:1,009
(b) Financial				
assistance for construction:				
Direct Federal contracting...	46,276,255: --:	50,185,000: --:	-15,085,000	35,100,000: --
Payment for con- tracting by local sponsors	36,362,600: --:	39,434,000: --:	-12,069,000	27,365,000: --
(c) Loan services..	172,500: 5:	172,500: 5:	--	172,500: 5
Subtotal, watershed operations.....	138,937,155:1,063:	149,147,000:1,063:	-26,586,000(3)	122,561,000:1,014
Total, avail. or est.	185,702,586:1,613:	205,266,000:1,436:	-\$52,305,000	152,961,000:1,312
G-R-H red., PL 101-177	+2,414: --:			
Total Appropriation..	<u>\$185,705,000:1,613:</u>			

PROJECT STATEMENT
(On basis of available funds)

Project	1991		1992 estimated		Increase or Decrease	1993 estimated	
	Amount	:Staff: :Years:	Amount	:Staff: :Years:		Amount	:Staff: :Years:
1. Watershed operations authorized by PL-534:							
(a) Planning.....	\$967,635:	20:	\$1,079,664:	20:	-\$86,664:	\$993,000:	18
(b) Technical assistance.....	13,766,712:	270:	13,838,336:	270:	-211,336:	13,627,000:	252
(c) Financial assistance for construction:							
Direct Federal contracting....	6,065,619:	--:	20,600,420:	--:	-15,900,420:	4,700,000:	--
Payment for contracting by local sponsors.	1,928,369:	--:	6,547,618:	--:	-5,547,618:	1,000,000:	--
(d) Loan services....	80,000:	2:	80,000:	2:	--:	80,000:	2
Subtotal, flood prevention.....	22,808,335:	292:	42,146,038:	292:	-21,746,038:	20,400,000:	272
2. Emergency Watershed Protection Oper....	39,780,793:	258:	34,064,030:	81:	-24,064,030:	10,000,000:	26
3. Small watersheds authorized by PL-566:							
(a) Technical assistance....	59,703,767:	1,058:	62,094,500:	1,058:	-2,302,000:	59,792,500:	1,009
(b) Financial assistance for construction:							
Direct Federal contracting....	54,517,762:	--:	66,803,502:	--:	-31,703,502:	35,100,000:	--
Payment for contracting by local sponsors	27,066,942:	--:	33,165,218:	--:	-5,800,218:	27,365,000:	--
(c) Loan services....	172,500:	5:	172,500:	5:	--:	172,500:	5
Subtotal, watershed operations.....	141,460,971:	1,063:	162,235,720:	1,063:	-39,674,720:	122,561,000:	1,014
Total direct obligations.....	204,050,099:	1,613:	238,445,788:	1,436:	-85,484,788:	152,961,000:	1,312
Unobligated balance brought forward....	(-51,527,301)	--:	(-33,179,788)	--:	+33,179,788:	--:	
Unobligated balance carried forward....	(+33,179,788)	--:	--:	--:	--:	--:	--
Reduction pursuant to P.L. 99-177....	(+2,414)	--:	--:	--:	--:	--:	--
Appropriation.....	(\$185,705,000)	1,613	(\$205,266,000)	1,436:	(-\$52,305,000)	(\$152,961,000)	1,312

REIMBURSABLE OBLIGATIONS

Project	1991		1992 estimated		Increase		1993 estimated	
	Amount	:Staff: :Years:	Amount	:Staff: :Years:	or Decrease		Amount	:Staff: :Years:
Reimbursable obligations:								
1. Watershed operations authorized by PL-534:								
(a) Planning.....	--	--	--	--	--	--	--	--
(b) Technical assistance.....	\$41,179	--	\$750,000	25	--	\$750,000	25	
(c) Financial assistance for construction:								
Direct Federal contracting....	178,481	--	2,250,000	--	-1,500,000	750,000	25	
Subtotal, flood prevention.....	219,660	--	3,000,000	25	-1,500,000	1,500,000	25	
2. Emergency Watershed Protection Operation.	3,677,080	--	4,500,000	1	-1,500,000	3,000,000	1	
3. Small watersheds authorized by PL-566:								
(a) Technical assistance.....	388,265	5	150,000	5	--	150,000	5	
(b) Financial assistance for construction:								
Direct Federal contracting....	3,694,058	--	6,350,000	--	-1,000,000	5,350,000	--	
Payment for contracting by local sponsors.	56,918	--	--	--	--	--	--	
Subtotal, watershed operations.....	4,139,241	5	6,500,000	5	-1,000,000	5,500,000	5	
Total, reimbursable obligations.....	8,035,981	5	14,000,000	31	-4,000,000	10,000,000	31	
Obligational authority.....	\$212,086,080	1,618	\$252,445,788	1,467	-\$89,484,788	\$162,961,000	1,343	

SOURCES OF REIMBURSEMENTS

	1991		1992				1993
	Actual		estimated		Decrease		estimated
Within USDA.....	\$50,124		\$30,000		+\$30,000		\$60,000
Other Federal Agencies.....	264,933		600,000		-300,000		300,000
Non-Federal Sources.....	7,720,924		13,370,000		-3,730,000		9,640,000
Total reimbursements.....	\$8,035,981		\$14,000,000		-\$4,000,000		\$10,000,000

OUTLAYS

	1991		1992		Increase or		1993
	Actual		estimated		Decrease		estimated
1. Watershed operations authorized by PL-534.....	\$26,463,025		\$33,721,000		-\$3,078,000		\$30,643,000
2. Emergency Watershed Protection Operations.....	65,462,063		50,890,000		-30,076,000		20,814,000
3. Small watersheds authorized by PL-566.....	128,130,123		162,623,000		-47,280,000		115,343,000
Total Outlays.....	\$220,055,211		\$247,234,000		-\$80,434,000		\$166,800,000

EXPLANATION OF PROGRAM

The appropriation "Watershed and Flood Prevention Operations" funds those activities authorized by the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1005, 1007-1009) and the Flood Control Act, as amended and supplemented (33 U.S.C. 701, 16 U.S.C. 1006a) and Sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), which relate to installation of individual watershed projects, flood prevention subwatershed projects, and emergency watershed protection. Activities include:

Watershed Operations Authorized by PL-534

The planning criteria, economic justifications, local sponsorship requirements, costsharing criteria, and other policies and procedures used in the Flood Prevention Program have been adjusted to generally parallel those of the Watershed Protection Program. The Department helps install watershed improvement measures to reduce flood, sediment, and erosion damages; further the conservation, development, utilization, and disposal of water; further the conservation and proper utilization of land; and to accomplish other measures incorporated in subwatershed work plans. The following table shows the status of subwatershed work plans:

<u>Subwatersheds Status</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
In pre-construction.....	19	19	10
In construction.....	91	91	100
Continuing land treatment.....	65	65	65
Completed construction.....	160	160	160
Feasible, but not started.....	68	68	68
Total subwatersheds.....	<u>403</u>	<u>403</u>	<u>403</u>

Emergency Watershed Protection Operations

Funding authority for FY 1992 is requested under Sections 403-05 of the Agricultural Credit Act of 1978. Funding is for such emergencies for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever flood, fire, drought, or any other natural element causes a sudden impairment of the watershed. The Department administers the program by providing technical assistance and arranging with local contractors to install most of the required measures.

Small Watershed Operations Authorized by PL-566

The Department provides technical and financial assistance to local organizations to install the watershed works of improvement for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife development, and other authorized features specified in the work plans.

The following table shows the status of PL-566 watershed projects:

<u>Status of Operational Projects</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Projects in pre-construction end-of-year..	240	250	269
Projects under construction, start of year	346	328	340
New construction starts.....	2	20	1
Projects completed during year.....	13	10	5
Projects continuing land treatment.....	36	42	45
Projects completed, end of year.....	720	733	743
Projects not requiring funds.....	166	170	170
Total operational projects.....	<u>1,523</u>	<u>1,553</u>	<u>1,573</u>

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease in appropriation of \$15,691,000 for Watershed Operations authorized by PL-534 (on the basis of available funds, there is a decrease of \$21,746,038)

Need for Change. The proposed budget reduction reflects the need to balance program benefits, existing commitments, and federal spending constraints.

Nature of Change. The proposed funding level would provide sufficient funds for technical assistance and for contract modification costs to continue work already underway at the beginning of 1993. Financial assistance funds available for contract modifications, for new contracts for individual construction units in subwatershed projects already under construction, and for new project starts would be about 21 percent of the FY 1992 level. These projects serve the public interest by providing solutions to the county's most critical soil erosion problems, cropland and rural community flooding problems, and water conservation problems. Priorities for project construction are established considering the expected project benefits, cost effectiveness, environmental impacts, and the readiness of local sponsors to proceed. Emphasis is placed on completing projects that address national environmental concerns including upstream flood control projects, water quality improvement projects, and water conservation projects. Non-structural land treatment measures are emphasized because they are generally less expensive than structural measures and for their multipurpose effects in conservation practices on the farms in watersheds. Local cost-sharing is also being emphasized to reduce Federal expenditures. Efforts are underway to work with local project sponsors to eliminate planned work that is no longer economically or environmentally feasible.

- (2) A decrease in appropriation of \$10,028,000 for Emergency Watershed Operations (on the basis of available funds, there is a decrease of \$24,064,030)

Need for Change. The proposed budget reduction reflects the need to balance program benefits, existing commitments, and federal spending constraints, by concentrating funds on immediate threats to life and property.

Nature of Change. The proposed level of funding would be available to complete contracts signed in prior years and to provide for an immediate response to exigency situations to reduce hazards to life and property in watersheds damaged by severe natural events occurring in 1993. Non-exigency needs (where there is not an immediate threat to life and property, and SCS has up to 220 days to have work completed) would not be funded until SCS is assured that all exigency needs can be met. This will allow SCS to concentrate its resources where they can have the greatest impact.

- (3) A decrease in appropriation of \$26,586,000 for Watershed Operations authorized by PL-566 (on the basis of available funds, there is a decrease of \$39,674,720)

Need for Change. The proposed budget reduction reflects the need to balance program benefits, existing commitments, and federal spending constraints.

Nature of Change. The proposed funding level would provide sufficient funds for technical assistance and for contract modification costs to continue work already underway at the beginning of 1993. Financial assistance funds available for contract modifications, for new contracts for individual construction units in small watershed projects already under construction, and for new project starts would be about 62 percent of the FY 1992 level. These projects serve the public interest by providing

solutions to the county's most critical soil erosion problems, cropland and rural community flooding problems, and water conservation problems. Priorities for project construction are established considering the expected project benefits, cost effectiveness, environmental impacts, and the readiness of local sponsors to proceed. Emphasis is placed on completing projects that address national environmental concerns including upstream flood control projects, water quality improvement projects, and water conservation projects. Non-structural land treatment measures are emphasized because they are generally less expensive than structural measures and for their multipurpose effects in conservation practices on the farms in watersheds. Local cost-sharing is emphasized to reduce Federal expenditures. Efforts are underway to work with local project sponsors to eliminate planned work that is no longer economically or environmentally feasible.

Distribution of Funds by Agency for Operating Flood Prevention Projects

	1991 Obligations:	: Brought Forward from 1991	: 1992 Appro- priation (adjusted):	: Estimated Obligations: 1992	: Budget Estimate 1993
<u>SOIL CONSERVATION SERVICE</u>	:	:	:	:	:
Buffalo Creek, NY.....	--:	--:	--:	--:	--
Colorado (Middle), Texas	1,035,282:	--:	2,020,590:	2,020,590:	\$915,000
Coosa, Georgia,	:	:	:	:	:
Tennessee.....	--:	--:	--:	--:	--
Little Sioux, Iowa.....	2,209,614:	24:	2,550,598:	2,550,622:	1,953,000
Little Tallahatchie, MS.	913,995:	725:	1,135,127:	1,135,852:	808,000
Los Angeles, California.	38,378:	--:	105,790:	105,790:	34,000
Potomac, MD, PA, VA,	:	:	:	:	:
W. VA.....	1,970,538:	3,971,422:	9,743,263:	13,714,685:	1,742,000
Santa Ynez, California..	38,378:	233,696:	105,790:	339,486:	34,000
Trinity, Texas.....	2,789,616:	56,244:	3,692,073:	3,748,317:	2,466,000
Washita, Oklahoma, Texas	2,491,196:	44,647:	3,110,227:	3,154,874:	2,202,000
Yazoo, Mississippi.....	9,125,641:	1,748,242:	11,447,542:	13,195,784:	8,066,000
Subtotal, SCS.....	20,612,638:	6,055,000:	33,911,000:	39,966,000:	18,220,000
<u>FOREST SERVICE</u>	:	:	:	:	:
Little Sioux, Iowa.....	--:	--:	--:	--:	--
Little Tallahatchie, MS.	--:	--:	--:	--:	--
Los Angeles, California.	1,270,895:	--:	1,171,000:	1,171,000:	1,171,000
Potomac, MD, PA, VA, and	:	:	:	:	:
W. VA.....	182,194:	--:	167,000:	167,000:	167,000
Santa Ynez, California..	537,540:	--:	640,000:	640,000:	640,000
Trinity, Texas.....	83,000:	--:	80,000:	80,000:	80,000
Washita, Oklahoma, Texas	42,095:	--:	42,000:	42,000:	42,000
Yazoo, Mississippi.....	--:	--:	--:	--:	--
Subtotal, FS.....	2,115,724:	--:	2,100,000:	2,100,000:	2,100,000
<u>FARMERS HOME ADMINISTRATION</u>	:	:	:	:	:
Loan Services.....	80,000:	--:	80,000:	80,000:	80,000
Total, PL-534 operations.	\$22,808,362:	\$6,055,000:	\$36,091,000:	\$42,146,000:	\$20,400,000

PL-566 Project Activity and Obligations

The following table shows the status of Public Law 566 projects by stage of assistance and amounts obligated or estimated to be obligated.

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>NO.</u>	<u>Dollars in Thousands</u>	<u>NO.</u>	<u>Dollars in Thousands</u>	<u>NO.</u>	<u>Dollars in Thousands</u>
1. Projects approved for operation and estimated cost of completion:						
a. Uncompleted projects at start of year...	780	\$1,217,138	790	\$1,119,517	810	\$1,017,281
b. Projects approved during year.....	23	43,840	30	60,000	20	40,000
Total.....	803	1,260,978	820	1,179,517	830	1,057,281
2. Status of projects and amounts obligated:						
a. Projects inactive end of year.....	27	--	30	--	30	--
b. Deauthorized, cumulative.....	139	--	140	--	140	--
c. Projects receiving pre-construction land treatment and engineering services, end of year.....	240	17,905	250	18,000	269	20,000
d. Projects moved into construction during year.....	2	250	20	1,000	1	100
e. Prior year projects continuing construction and land treatment.....	346	122,360	328	141,236	340	100,461
f. Projects with construction completed continuing land treatment.....	36	700	42	1,000	45	1,000
g. Projects completed during year.....	13	246	10	1,000	5	1,000
Subtotal.....	803	141,461	820	162,236	830	122,561
3. Uncompleted projects (cumulative) at end of year:						
a. Obligations to date.	790	2,410,879	810	2,572,115	825	2,693,676
b. Estimated cost of completion.....	--	1,119,517	--	1,017,281	--	934,720
4. Projects completed (cumulative and total cost).....	733	1,022,660	743	1,023,660	748	1,024,660
5. Total projects approved (cumulative and total cost).....	1,523	4,553,056	1,553	4,613,056	1,573	4,653,056
Total (cumulative obligations).....	1,523	\$3,433,539	1,553	\$3,595,775	1,573	\$3,718,336

SOIL CONSERVATION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and estimated 1992 and 1993
WATERSHED AND FLOOD PREVENTION OPERATIONS

	1991		1992		1993	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$4,427,403	27	\$2,418,063	16	\$1,825,964	15
ARIZONA.....	3,966,537	28	3,360,289	23	2,608,520	21
ARKANSAS.....	5,686,543	43	7,241,569	28	3,260,650	29
CALIFORNIA.....	6,787,613	36	8,837,562	49	5,608,318	42
COLORADO.....	1,496,066	10	1,970,024	10	1,173,834	9
CONNECTICUT.....	2,686,024	10	2,829,435	10	1,173,834	9
DELAWARE.....	617,708	7	804,436	9	1,043,408	9
FLORIDA.....	901,677	8	1,426,088	10	1,173,834	10
GEORGIA.....	1,152,233	14	2,876,986	16	1,825,964	14
HAWAII.....	(786)	7	1,948,994	7	1,565,112	7
IDAHO.....	347,153	7	720,579	10	1,173,834	10
ILLINOIS.....	3,325,860	20	3,828,199	18	2,217,242	18
INDIANA.....	1,582,908	11	1,427,758	10	1,173,834	10
IOWA.....	6,471,810	50	7,012,300	48	5,477,892	43
KANSAS.....	5,206,144	35	5,720,761	35	4,304,058	34
KENTUCKY.....	2,998,990	15	1,817,621	14	1,565,112	13
LOUISIANA.....	3,881,545	34	5,270,573	29	3,260,650	26
MAINE.....	2,457,342	15	937,883	12	1,434,686	12
MARYLAND.....	806,449	5	345,336	3	391,278	4
MASSACHUSETTS...	1,708,790	10	1,270,377	10	1,304,269	10
MICHIGAN.....	1,775,164	12	1,694,686	12	1,434,686	12
MINNESOTA.....	3,385,054	19	2,809,057	19	2,217,242	18
MISSISSIPPI.....	27,080,572	234	37,382,238	183	19,824,751	159
MISSOURI.....	5,842,918	40	6,709,273	39	4,434,484	35
MONTANA.....	1,066,075	16	1,486,083	12	1,434,686	12
NEBRASKA.....	2,835,809	18	3,019,990	17	1,956,390	16
NEVADA.....	67,999	1	375,768	2	260,852	3
NEW HAMPSHIRE...	673,045	8	864,547	9	1,043,408	9
NEW JERSEY.....	1,572,585	11	1,917,467	12	1,434,686	12
NEW MEXICO.....	1,376,916	24	5,478,586	23	2,608,520	21
NEW YORK.....	2,029,834	13	2,392,117	12	1,434,686	12
NORTH CAROLINA..	2,548,701	27	3,790,226	22	2,478,094	20
NORTH DAKOTA....	483,769	6	389,573	5	521,704	5
OHIO.....	5,413,180	26	4,012,353	19	2,217,242	18
OKLAHOMA.....	9,335,146	82	9,516,190	76	8,738,542	64
OREGON.....	886,045	11	1,895,942	12	1,434,686	12
PACIFIC BASIN...	164,730	2	136,689	0	136,689	0
PENNSYLVANIA....	7,663,833	29	5,330,328	23	2,608,520	21
PUERTO RICO.....	4,015,300	18	866,053	9	1,043,408	9
RHODE ISLAND....	164,504	2	118,643	2	260,852	3
SOUTH CAROLINA..	4,029,401	51	1,909,166	13	1,434,686	11
SOUTH DAKOTA....	95,700	1	121,901	2	260,852	3
TENNESSEE.....	4,766,898	29	4,439,312	39	4,434,484	34
TEXAS.....	12,647,660	184	14,233,159	141	12,260,043	121
UTAH.....	650,332	6	746,744	8	912,982	7
VERMONT.....	782,161	10	915,958	10	1,173,834	9
VIRGINIA.....	3,942,078	28	4,725,417	30	3,391,076	26
WASHINGTON.....	10,270,316	27	2,815,195	24	2,738,946	21
WEST VIRGINIA...	14,499,930	59	36,596,081	77	8,868,968	68
WISCONSIN.....	1,541,840	9	1,358,086	9	1,043,408	8
WYOMING.....	216,123	3	243,802	4	521,704	4
CHESTER NTC.....	1,377,379	21	1,452,655	21	1,377,379	19
FORT WORTH NTC..	2,096,119	31	2,172,887	31	2,096,119	29
LINCOLN NTC.....	1,335,098	22	1,442,496	22	1,335,090	20
PORTLAND NTC....	974,762	15	1,046,318	15	974,762	13
NATIONL HDQTRS..	6,399,938	60	9,020,669	68	6,263,246	65
FMHA ALLOCATION.	252,500	7	252,500	7	253,000	7
FS ALLOCATION...	3,282,676	59	2,702,800	40	2,534,000	41

TOTAL Available
or Estimate.... \$204,050,099 1,613 \$238,445,788 1,436 \$152,961,000 1,312

SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Great Plains Conservation Program

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), \$25,271,000, to remain available until expended (16 U.S.C. 590p(b)(7)).

Great Plains Conservation Program

Appropriation Act, 1992.....	\$25,271,000
Budget Estimate, 1993.....	25,271,000
Increase in Appropriation.....	<u>\$0</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1993 Estimated</u>
Great Plains Conservation Program:				
1. Cost-sharing assistance.....	\$16,179,000	--	--	\$16,179,000
2. Cost-share program and contract administration.....	2,909,000	--	--	2,909,000
3. Technical assistance.....	6,183,000	--	--	6,183,000
TOTAL AVAILABLE.....	<u>\$25,271,000</u>	<u>--</u>	<u>--</u>	<u>\$25,271,000</u>

PROJECT STATEMENT
(On basis of appropriation)

<u>Project</u>	<u>1991 Amount</u>	<u>:Staff: :Years:</u>	<u>1992 estimated Amount</u>	<u>:Staff: :Years:</u>	<u>Increase Increase</u>	<u>1993 estimated Amount</u>	<u>:Staff: :Years:</u>
Great Plains Conserva- tion Program:	:	:	:	:	:	:	:
1. Cost-sharing assistance.....	\$16,383,000:	--:	\$16,179,000:	--:	--:	\$16,179,000:	--
2. Cost-share program and contract administration.....	2,641,180:	53:	2,909,000:	53:	--:	2,909,000:	51
3. Technical assistance.....	5,612,500:	113:	6,183,000:	113:	--:	6,183,000:	108
Total available or est	24,636,680:	166:	\$25,271,000:	166:	--:	\$25,271,000:	159
Gramm-Rudman-Hollings Reduction, PL 99-177	+320:	--:	:	:	:	:	:
Total Appropriation...	<u>\$24,637,000:</u>	<u>166:</u>					

PROJECT STATEMENT
(On basis of available funds)

<u>Project</u>	<u>1991 Amount</u>	<u>:Staff: :Years:</u>	<u>1992 estimated Amount</u>	<u>:Staff: :Years:</u>	<u>Increase or Decrease</u>	<u>1993 estimated Amount</u>	<u>:Staff: :Years:</u>
Direct obligations:	:	:	:	:	:	:	:
Great Plains Conserva- tion Program:	:	:	:	:	:	:	:
1. Cost-sharing assistance.....	\$14,382,150:	--:	\$17,867,931:	--:	-\$1,688,931:	\$16,179,000:	--
2. Cost-share program and contract administration.....	2,778,467:	53:	2,909,000:	53:	--:	2,909,000:	51
3. Technical assistance.....	5,904,241:	113:	6,183,000:	113:	--:	6,183,000:	108
Total direct oblig....	23,064,858:	166:	26,959,931:	166:	-\$1,688,931:	25,271,000:	159
Unobligated balance brought forward.....	(-117,109)	(--)	(-1,688,931)	(--)	(+1,688,931)	(--)	(--)
Unobligated balance carried forward.....	(+1,688,931)	(--)	(--)	(--)	(--)	(--)	(--)
Adjusted appropriation	(24,636,680)	(166)	(25,271,000)	(166)	(--)	(25,271,000)	(159)
Reimbursable oblig....	12,770:	--:	20,000:	--:	--:	20,000:	--
Obligational authority	<u>\$23,077,628:</u>	<u>166:</u>	<u>\$26,979,931:</u>	<u>166:</u>	<u>-\$1,688,931:</u>	<u>\$25,291,000:</u>	<u>159</u>

SOURCES OF REIMBURSEMENTS

Project	1991 Actual	:	1992 estimated	:	Increase or Decrease	:	1993 estimated
Federal Sources.....	\$12,971	:	\$16,000	:	--	:	\$16,000
Other Non-Federal Sources.....	-201	:	4,000	:	--	:	4,000
Total reimbursements.....	\$12,770	:	\$20,000	:	--	:	\$20,000

OUTLAYS

Project	1991 Actual	:	1992 estimated	:	Increase	:	1993 estimated
Great Plains Conservation Program:		:		:		:	
1. Cost-sharing assistance.....	\$13,564,818	:	\$13,568,000	:	+\$2,646,000	:	\$16,214,000
2. Cost-share program and contract administration.....	2,714,881	:	2,899,000	:	+10,000	:	2,909,000
3. Technical assistance.....	5,769,122	:	6,161,000	:	+22,000	:	6,183,000
Total Outlays.....	\$22,048,821	:	\$22,628,000	:	+\$2,678,000	:	\$25,306,000

EXPLANATION OF PROGRAM

Authorization: The appropriation for "Great Plains Conservation Program" funds Soil Conservation Service activities authorized under Section 16(b) of the Soil Conservation and Domestic Allotment Act (PL 74-46) as amended by PL 84-1021. PL 101-624 amended PL 84-1021 to extend the Great Plains cost-share contracting authority to September 30, 2001.

Authorization limits: Total cumulative appropriations of \$1,000,000,000 are authorized for cost-sharing. Cost-sharing payment in any one fiscal year may not exceed \$50,000,000. Through September 30, 1991, \$370,556,764 have been paid out in cost-shares.

This program is in addition to other USDA soil and water conservation programs in the counties designated for participation, and is coordinated with programs and objectives of locally managed conservation districts, State agencies, and community groups.

Potential Workload:	<u>Acres (in 000's)</u>
Estimated acreage in the 556 designated counties that could come under Great Plains contracts.....	210,000
Current Activity:	
Land under active contracts as of September 30, 1991.....	17,597

The purpose of the program is to assist farmers and ranchers in planning and applying resource management systems on their farms and ranches to prevent or reduce the effects of the climatic hazards of the area. Benefits to be achieved are protection and improvement of soil, water, plant, and wildlife resources through reduction of erosion and sedimentation, and abatement of agriculture-related pollution. A secondary benefit of the program is its impact on stabilizing the local economy. Activities include:

- Cost-sharing assistance - Payments are made to program participants for a share of the cost of installing eligible conservation practices scheduled in contracts, including, among others, terraces, permanent vegetative cover, re-establishing grasslands and pipelines.
- Cost-share programming and contract administration - Soil Conservation Service provides assistance in developing contracts, which include schedules of conservation practices to be applied, and administers contracts.
- Technical assistance - Soil Conservation Service provides assistance to help farmers and ranchers plan, install, and maintain scheduled conservation practices according to standards and specifications.

<u>PROGRAM RESULTS</u>		FY 1991:	FY 1992:	FY 1993
		<u>Actual:</u>	<u>Estimate:</u>	<u>Estimate</u>
Active Contracts - beginning of year.....		5,443:	5,780:	6,270
New Contracts signed.....	Annual	1,044:	1,190:	1,040
	Cumulative	68,294:	69,484:	70,524
Contracts Completed and Terminated.....	Annual	-707:	-700:	-700
	Cumulative	62,360:	63,060:	63,760
Active Contracts - end of year.....		<u>5,780:</u>	<u>6,270:</u>	<u>6,610</u>
Active applications on hand beginning of year		1,909:	2,580:	3,000
Active applications on hand end of year.....		2,580:	3,000:	3,400
Number of participants serviced.....	Annual	6,487:	6,970:	7,310
Acres in new contracts (1,000).....	Annual	2,885:	3,288:	2,885
Acres treated (1,000)	Cumulative	147,077:	150,365:	153,250

SOIL CONSERVATION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and Estimated 1992 and 1993
GREAT PLAINS CONSERVATION PROGRAM

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	<u>AMOUNT</u>	<u>STAFF YEARS</u>	<u>AMOUNT</u>	<u>STAFF YEARS</u>	<u>AMOUNT</u>	<u>STAFF YEARS</u>
COLORADO	\$1,980,098	15	\$2,094,060	15	\$2,086,242	14
KANSAS	2,189,931	16	2,697,144	16	2,465,185	15
MONTANA	1,982,605	15	2,490,169	15	2,182,037	14
NEBRASKA	2,221,193	16	2,455,890	16	2,445,832	15
NEW MEXICO	1,314,402	6	1,963,009	6	1,448,423	6
NORTH DAKOTA	1,771,001	14	1,841,024	14	1,890,738	13
OKLAHOMA	1,802,262	11	2,019,267	11	1,980,391	11
SOUTH DAKOTA	2,056,949	17	2,506,100	17	2,277,118	16
TEXAS	5,764,968	37	6,432,710	37	6,338,182	36
WYOMING	1,253,492	9	1,713,676	9	1,402,829	9
FORT WORTH NTC	94,998	1	100,794	1	103,107	1
LINCOLN NTC	49,999	1	55,437	1	56,709	1
PORTLAND NTC	49,956	0	55,437	0	56,709	0
NATIONAL HDQTRS	533,004	8	535,214	8	537,498	8
Total available or estimate	<u>\$23,064,858</u>	<u>166</u>	<u>\$26,959,931</u>	<u>166</u>	<u>\$25,271,000</u>	<u>159</u>

SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Resource Conservation and Development

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), [\$32,516,000]

- 1 \$23,631,000: Provided, [That \$600,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): Provided further,] That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.

This change deletes language authorizing the Farmers Home Administration to provide resource conservation and development loans from the Agricultural Credit Insurance Fund in FY 1993 since no funds are requested for this purpose in the FY 1993 budget.

Resource Conservation and Development

Appropriation Act, 1992.....	\$32,516,000
Budget Estimate, 1993.....	23,631,000
Decrease in Appropriation.....	<u>-\$ 8,885,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

<u>Item of Change</u>	<u>1992</u> <u>Estimated</u>	<u>Program</u> <u>Changes</u>	<u>1993</u> <u>Estimated</u>
Resource Conservation and Development:			
1. Technical assistance.....	\$25,929,000	-\$2,358,000	23,571,000
2. Financial assistance.....	6,527,000	-6,527,000	--
3. Loan services.....	60,000	--	60,000
TOTAL AVAILABLE.....	<u>\$32,516,000</u>	<u>-\$8,885,000</u>	<u>\$23,631,000</u>

PROJECT STATEMENT
(On basis of appropriation)

<u>Project</u>	<u>1991</u>		<u>1992 estimated</u>		<u>Increase</u> <u>or</u> <u>Decrease</u>	<u>1993 estimated</u>	
	<u>Amount</u>	<u>:Staff:</u> <u>:Years:</u>	<u>Amount</u>	<u>:Staff:</u> <u>:Years:</u>		<u>Amount</u>	<u>:Staff:</u> <u>:Years:</u>
Resource Conservation and Development:							
1. Technical assistance.....	\$24,180,611	427	\$25,929,000	443	-\$2,358,000	\$23,571,000	382
2. Financial assistance.....	5,659,000	--	6,527,000	--	-6,527,000	0	--
3. Loan services.....	60,000	2	60,000	2	--	60,000	2
Gramm-Rudman-Hollings Reduction PL 99-177.	389	--	--	--	--	--	--
Total available.....	<u>\$29,900,000</u>	<u>429</u>	<u>\$32,516,000</u>	<u>445</u>	<u>-\$8,885,000</u>	<u>\$23,631,000</u>	<u>384</u>

PROJECT STATEMENT
(On basis of available funds)

<u>Project</u>	<u>1991</u>		<u>1992 estimated</u>		<u>Increase</u> <u>or</u> <u>Decrease</u>	<u>1993 estimated</u>	
	<u>Amount</u>	<u>:Staff:</u> <u>:Years:</u>	<u>Amount</u>	<u>:Staff:</u> <u>:Years:</u>		<u>Amount</u>	<u>:Staff:</u> <u>:Years:</u>
Resource Conservation and Development:							
1. Technical assistance.....	\$24,279,421	427	\$26,235,469	443	-2,664,469	\$23,571,000	382
2. Financial assistance.....	3,947,428	--	9,948,046	--	-9,948,046	--	--
3. Loan services.....	60,000	2	60,000	2	--	60,000	2
Total direct oblig....	28,286,849	429	36,243,515	445	-12,612,515	23,631,000	384
Unobligated balance brought forward	(-2,114,753)	(--)	(-3,727,515)	(--)	(+3,727,515)	(--)	(--)
Unobligated balance carried forward.....	(+3,727,515)	(--)	(--)	(--)	(--)	(--)	(--)
Appropriation total...	(29,899,611)	(429)	(32,516,000)	(445)	-8,885,000	(23,631,000)	(384)
Reimbursable obligations:							
Resource Conservation and Development:							
(a) Technical assistance.....	290,606	5	168,000	3	--	168,000	3
(b) Financial assistance.....	580,460	--	832,000	--	--	832,000	--
Total reimbursable obligations.....	871,066	5	1,000,000	3	--	1,000,000	3
Obligational authority	<u>\$29,157,915</u>	<u>434</u>	<u>\$37,243,515</u>	<u>448</u>	<u>--</u>	<u>\$24,631,000</u>	<u>387</u>

SOURCES OF REIMBURSEMENTS

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Federal Sources.....	\$635,184	\$ 80,000	--	\$ 80,000
Non-Federal Sources....	235,882	920,000	--	920,000
Total Reimbursements...	<u>\$871,066</u>	<u>\$1,000,000</u>	<u>--</u>	<u>\$1,000,000</u>

OUTLAYS

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Resource Conservation and Development:				
(a) Technical assistance.....	\$21,844,796	\$25,066,000	-\$1,294,000	\$23,772,000
(b) Financial assistance.....	6,735,000	5,534,000	-592,000	4,942,000
(c) Loan services....	60,000	60,000	--	60,000
Total Outlays.....	<u>\$28,639,796</u>	<u>\$30,660,000</u>	<u>-\$1,886,000</u>	<u>\$28,774,000</u>

EXPLANATION OF PROGRAM

The appropriation "Resource Conservation and Development" funds the activities authorized under Section 32(e) of Title III of the Bankhead-Jones Farm Tenant Act (Public Law 75-210), as amended and the Soil Conservation and Domestic Allotment Act of April 27, 1935, (Public Law 74-46), as amended and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461). Program assistance provided in authorized RC&D areas includes technical assistance for planning and implementation, financial assistance, and loan services.

Technical Assistance: Staff assistance is provided to local sponsors in the preparation of RC&D area plans for the conservation, development, and utilization of the natural resources in the RC&D area. Staff assistance is also provided to local sponsors in the implementation of their RC&D plans. This includes:

- a. Assistance with inventories and studies of measures of areawide scale that directly aid sponsors in achieving their RC&D objectives.
- b. Assistance in developing plans, designs, layout, and installation of measures eligible for RC&D financial assistance.
- c. Assistance to sponsors to achieve activities and measures contained in the RC&D plans which are ineligible for RC&D financial assistance.

Financial Assistance: Financial assistance is provided to eligible sponsors to install approved measures. Priority is given to measures related to erosion and sediment control (critical area treatment), flood prevention and farm irrigation, and efficiency in water short areas. Other purposes include soil and water management for control of agriculture-related pollutants, public water-based recreation developments, and public water-based fish and wildlife developments.

MAIN WORKLOAD FACTORS

	1991 Actual	1992 Estimate	1993 Estimate
<u>Status of Authorized RC&D Areas:</u>			
RC&D areas authorized at beginning of year.....	194	209	236
New RC&D areas deauthorized during year.....	0	0	0
New RC&D areas authorized during year.....	15	27	0
RC&D areas authorized at end of year.....	209	236	236
Unserviced applications on hand...	43	45	63

RC&D Measures:Financially assisted:

In Planning (BOY).....	392	325	317
New Plans in Year.....	132	150	126
New Plans Cumulative.....	3,755	3,905	4,031
Plans Completed in Year.....	148	155	110
Plans Completed Cumulative.....	3,402	3,557	3,667
Plans Cancelled in Year.....	1	3	6
Plans terminated.....	--	--	--
In Planning (EOY).....	325	317	327

Installation Underway (BOY).....	406	396	361
Installation Started in Year.....	148	155	20
Installation Started Cumulative..	3,402	3,557	3,577
Installation Completed in Year...	149	180	109
Installation Completed Cumulative	2,939	3,119	3,228
Projects cancelled in year.....	9	10	15
Projects terminated.....	--	--	--
Installation Underway (EOY).....	396	361	347

Plans Completed, Installation Not Yet Underway:

Number.....	1,081	1,131	1,174
Cost (\$ in 000's).....	\$194,580	\$203,580	\$211,320

Measures Completed with Other than RC&D Financial Assistance:

During Year.....	792	817	852
Cumulative.....	16,272	17,089	17,941

Loan Services Assistance: Funds are provided to the Farmers Home Administration (FmHA) to service loans made to sponsors from the Agricultural Credit Insurance Fund. Loan services must be provided from Resource Conservation and Development funds because the Agricultural Credit Insurance Fund of the FmHA is not available for such expenses. The workload in FY 1991 consisted of providing loan counseling to help local sponsors arrange funding necessary to implement planned financial assistance measures.

Item	1991		1992		1993	
	No.	Amount	No.	Amount	No.	Amount
1. Loans obligated during year.....	0	0	0	0	0	0
2. Borrowers outstanding	105	\$ 8,454,000	105	\$ 8,454,000	105	\$ 8,454,000
3. Loans cumulative.....	292	\$29,171,401	292	\$29,171,401	292	\$29,171,401

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease in appropriation of \$8,885,000 for the Resource Conservation and Development program (on the basis of available funds there is a decrease of \$12,612,515)

Need for Change. The proposed budget reduction reflects the need to fund only Federal technical assistance in supporting local natural resource rural development activities. The \$23,631,000 proposed funding level in the budget would be sufficient to continue ongoing program activities in fiscal year 1993.

Nature of Change. The Resource Conservation and Development program would provide technical assistance needed to improve the management and conservation of land and water community resources. In fiscal year 1993, funding for RC&D technical assistance would be decreased by \$2,358,000 through increasing the number of part time RC&D coordinators and by decreasing the number of supporting personnel. Cost share assistance would be totally eliminated. Local sponsors will assume full responsibility for securing financial assistance from other than RC&D funding for project measures. Additionally, loans would no longer be made under the Farmers Home Administration Agricultural Credit Insurance Fund account.

SOIL CONSERVATION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
1991 and Estimated 1992 and 1993
RESOURCE CONSERVATION AND DEVELOPMENT

	1991		1992		1993	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$639,032	10	\$1,222,182	10	\$533,203	9
ALASKA.....	104,078	2	163,276	2	118,490	2
ARIZONA.....	668,848	9	722,652	10	533,203	9
ARKANSAS.....	737,998	11	860,563	13	592,448	10
CALIFORNIA.....	298,609	7	531,688	7	355,469	6
COLORADO.....	600,476	10	717,538	10	592,448	10
CONNECTICUT.....	213,732	4	362,008	4	236,979	4
DELAWARE.....	102,975	2	182,973	2	118,490	2
FLORIDA.....	358,000	6	428,997	6	296,224	5
GEORGIA.....	712,438	10	833,418	10	592,448	10
HAWAII.....	236,852	4	281,774	4	236,979	4
IDAHO.....	2,078,737	8	789,489	10	414,714	7
ILLINOIS.....	603,668	9	708,982	10	473,958	8
INDIANA.....	713,788	14	836,787	13	770,182	12
IOWA.....	763,949	14	877,394	12	770,182	12
KANSAS.....	529,864	11	725,014	10	592,448	9
KENTUCKY.....	631,261	12	1,065,659	11	651,692	10
LOUISIANA.....	345,963	6	426,045	7	296,224	5
MAINE.....	525,872	10	545,412	9	592,448	10
MARYLAND.....	237,997	4	275,286	5	236,979	4
MASSACHUSETTS....	205,401	4	297,688	4	236,979	4
MICHIGAN.....	543,007	8	828,296	10	414,714	7
MINNESOTA.....	489,877	9	895,462	10	473,958	8
MISSISSIPPI.....	445,456	9	906,874	9	473,958	8
MISSOURI.....	549,756	10	743,756	12	592,448	10
MONTANA.....	518,753	9	559,399	9	473,958	8
NEBRASKA.....	232,521	5	278,389	4	236,979	4
NEVADA.....	107,541	2	158,433	2	118,490	2
NEW HAMPSHIRE....	128,992	3	145,000	2	177,734	3
NEW JERSEY.....	276,000	5	284,030	4	236,979	4
NEW MEXICO.....	677,962	10	1,000,645	10	592,448	10
NEW YORK.....	570,116	13	831,501	11	710,938	11
NORTH CAROLINA...	737,806	12	912,890	10	651,693	10
NORTH DAKOTA.....	585,420	10	1,036,362	11	533,203	9
OHIO.....	686,224	10	877,464	12	533,203	9
OKLAHOMA.....	967,861	10	774,668	10	533,203	9
OREGON.....	327,996	7	471,311	6	355,469	6
PENNSYLVANIA.....	751,097	13	899,194	11	770,182	12
PUERTO RICO.....	246,001	4	297,147	4	236,979	4
RHODE ISLAND.....	123,001	2	145,659	2	118,490	2
SOUTH CAROLINA...	307,634	7	783,848	10	414,714	7
SOUTH DAKOTA.....	469,985	9	559,104	9	473,958	8
TENNESSEE.....	704,985	10	892,784	10	533,203	9
TEXAS.....	1,195,063	14	1,664,409	16	829,427	13
UTAH.....	496,455	7	608,184	8	355,469	6
VERMONT.....	213,980	4	260,338	4	236,979	4
VIRGINIA.....	299,201	5	385,052	7	236,979	4
WASHINGTON.....	209,999	3	318,653	4	177,734	3
WEST VIRGINIA....	735,524	10	947,922	11	592,448	10
WISCONSIN.....	398,752	6	557,024	9	296,224	5
WYOMING.....	425,205	5	629,572	9	236,979	4
CHESTER NTC.....	73,460	1	92,514	2	118,490	2
FORT WORTH NTC...	178,416	3	477,237	8	177,734	3
LINCOLN NTC.....	120,000	2	146,669	3	118,490	2
PORTLAND NTC.....	75,400	2	90,258	2	118,490	2
NATIONL HDQTRS...	1,422,488	19	2,284,642	11	592,469	10
FMHA ALLOCATN....	60,000	2	60,000	2	60,000	2
FS ALLOCATION...	625,377	2	584,000	2	584,000	2
TOTAL Available or Estimate	\$28,286,849	429	\$36,243,515	445	\$23,631,000	384

Passenger Motor Vehicles

Passenger motor vehicles of the Soil Conservation Service are distributed among 50 State Offices and Puerto Rico, 230 area offices, and various technical specialists located at field headquarters. None of these vehicles are used in Washington, D.C. Vehicles are used in rural and other areas where common carrier facilities are either non-existent, uneconomical, or inadequate. The nature of the travel requires a high degree of mobility with frequent stops at field offices, job sites, and other place not serviced by common carrier. Resident technicians servicing farmers and ranchers in conservation districts use pickup trucks rather than passenger vehicles.

Passenger motor vehicles are generally assigned to an office location and not exclusively to one individual. This allows several employees to rely on the use of a single vehicle, thus maximizing utilization, and minimizing the number of vehicles needed.

On September 30, 1991, the Soil Conservation Service had 2,165 passenger vehicles in a total fleet of 10,963 vehicles. The fleet includes pickup trucks, light trucks, jeeps, and heavy trucks.

Replacement of Passenger Motor Vehicles. The fiscal year 1993 estimates provide for the replacement of 400 passenger motor vehicles during the fiscal year. The vehicles proposed for replacement have been driven more than 60,000 miles or are more than 6 years of age or would be beyond economic repair due to accident or other causes.

SCS is continuing a sound and effective replacement program. During fiscal year 1991, 323 replacements were purchased. Economy of operations and expected use factors are taken into consideration as well as prescribed age and mileage standards in planning replacements.

Age and mileage data for Soil Conservation Service passenger motor vehicles on hand September 30, 1991, are as follows:

<u>Model</u>	<u>AGE DATA</u>		<u>MILEAGE DATA</u>		
	<u>Number of Vehicles</u>	<u>Percent of Total</u>	<u>Lifetime Mileage (Thousands)</u>	<u>Number of Vehicles</u>	<u>Percent of Total</u>
1986 and older	979	45.2	80 to over 100	281	13.0
1987	187	8.7	60-80	513	23.7
1988	258	11.9	40-60	501	23.1
1989	241	11.1	20-40	470	21.7
1990	177	8.2	Under 20	400	18.5
1991	323	14.9	TOTAL	2,165	100.0
TOTAL	2,165	100.0			

RURAL ELECTRIFICATION ADMINISTRATION

Purpose Statement

The Rural Electrification Administration (REA) was established by Executive Order 7037 on May 11, 1935, to provide loan funds to eligible borrowers for the purpose of extending central station electric service to unserved persons in rural areas. Statutory provision for the agency was made in the Rural Electrification (RE) Act of May 20, 1936; and on July 1, 1939, under Reorganization Plan II, REA became a part of the Department of Agriculture. On October 28, 1949, the purpose of REA was expanded by Public Law 423, which amended the Act to authorize loans for furnishing telephone service to rural areas.

Public Law 93-32, enacted May 11, 1973, amended the Rural Electrification Act of 1936, as amended, by establishing a "Rural Electrification and Telephone Revolving Fund" (RETRF) for the purpose of making insured loans to REA electric and telephone borrowers. Loans made under this authority bear either 2 or 5 percent interest in accordance with criteria specified in the Act, and have a maturity not to exceed 35 years. The Act also authorized REA to guarantee loans made by other lenders at rates and terms agreed upon between the lender and the borrower. The Rural Electrification and Telephone Revolving Fund legislation contains the following statement of Congressional intent regarding the REA programs:

. . . it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended; and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives.

In October 1976, Public Law 94-570 amended the Act, changing the statutory criteria used in determining eligibility for the special interest rate (2 percent) insured loans. The change in criteria corrected unintended inequities resulting from P.L. 93-32, to bring the number of borrowers eligible for the special rate more in line with Congressional intent and the borrowers' actual needs for loan funds at this rate.

On August 13, 1981, the Omnibus Budget Reconciliation Act, Public Law 97-35, was signed into law to further amend the RE Act. This legislation changed the Act by eliminating the special 2 percent interest rate on insured loans from the RETRF. However, it did provide that the Administrator may make insured loans at a rate less than 5 percent, but not less than 2 percent, if the borrower has experienced extreme financial hardship, or cannot provide service consistent with the objectives of the Act without charging rates so high that a substantial disparity results between such rates and those charged for similar services in the same or nearby areas by other suppliers.

On December 21, 1987, the Omnibus Budget Reconciliation Act of 1987, Public Law 100-203, amended the Act to establish a Cushion of Credit Payment Program whereby borrowers are encouraged to make voluntary deposits into their cushion of credit account. This amendment provided that a Rural Economic Development Subaccount be maintained in the Rural Electrification and Telephone Revolving Fund. This subaccount will be credited a sum determined by multiplying the outstanding cushion of credit payments made after October 1, 1987, by the difference between

the average weighted interest rate paid on outstanding Certificates of Beneficial Ownership issued by the Fund and the 5 percent rate of interest provided to borrowers on cushion of credit payments. The Administrator is authorized to utilize the funds in the subaccount to make zero-interest loans and grants to borrowers for the purpose of promoting rural economic development and job creation projects.

Public Law 101-624, the Food, Agriculture, Conservation, and Trade Act of 1990, enacted November 28, 1990, further amended the Act. Title XXIII, the Rural Economic Development Act of 1990, authorized several new programs. They are as follows:

- A grant program for distance learning and medical link facilities. This program is to provide rural communities access to advanced telecommunications services, computer networks, and improved rural opportunities.
- The Rural Business Incubator Fund. This fund shall be used to make grants and reduced interest loans to electric and telephone borrowers or other nonprofit entities to promote business incubator programs or for the creation or operation of business incubators in rural areas. The interest rate on these loans shall not exceed 5 percent.
- Financing to local businesses, community development assistance, technical assistance to businesses, and for other community business or economic development projects provided by deferment of payments on direct loans. A borrower may defer REA scheduled debt service payments equal to the amount of investment in economic development projects. Borrowers who provide financing can repay the deferred amounts in 60 or 120 equal monthly installments.

In addition, the REA Administrator shall promote rural economic development by providing rural communities with the necessary guidance, technical advice and information to plan and carry out rural development projects. Information on financial assistance from both Federal and non-federal sources will be dispensed to enable borrowers to expand their rural development efforts. Borrowers will also be made aware of successful rural development endeavors to encourage their application in similar operations throughout the country.

As of September 30, 1991, REA employed a total of 507 full-time permanent employees, 1 part-time permanent employee, and 3 other employees. The field staff consisted of 113 permanent full-time employees located throughout the United States. These employees utilize their homes as their offices. REA maintains no field offices. The Washington staff was composed of 394 full-time permanent, 1 part-time permanent employee and 3 other employees.

Rural Telephone Bank

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act of 1936, as amended, to establish the Rural Telephone Bank as a supplemental source of financing for the growing capital needs of rural telephone systems. Public Law 92-324, approved June 30, 1972, further amended the Act to permit the Secretary of the Treasury to purchase the Bank's debentures.

Public Law 93-32 made additional amendments to the Act and provided for Bank borrowing authority of 20 times its paid-in capital and retained earnings. It also required that the Bank charge a single interest rate, based on the average cost of money to the Bank, but not less than 5 percent per annum. Bank loans must be fully amortized over a period not to exceed 50 years. Most loans have been made for a 35-year period.

Public Law 100-203, approved December 22, 1987, authorized the prepayment of Rural Telephone Bank loans at face value without a prepayment premium during fiscal year 1988. The legislation also established a formula for determining interest rates on Rural Telephone Bank loans, defined the interest rate to be considered for purposes of assessing eligibility for loans, and established in the Bank a reserve for losses due to interest rate fluctuations.

The Rural Telephone Bank is managed by a 13-member board of directors. The Bank board holds at least four regularly scheduled meetings a year. Activities of the Bank are carried out by REA and the Office of the General Counsel employees.

Through fiscal year 1991, \$592.1 million in Bank capitalization had been made available through the purchase by the United States of the Rural Telephone Bank's Class A Stock. The RE Act had originally set the maximum Government contribution at \$300 million. The Farm Bill of 1981 amended the RE Act to permit continued Class A Stock purchases in annual amounts not to exceed \$30 million through fiscal year 1991, with total purchases not to exceed \$600 million. This completes the capitalization of the Rural Telephone Bank under current law.

Rural Communication Development Fund

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419) approved August 30, 1972. The Rural Communication Development Fund (RCDF), a separate account of the RDIF, was established pursuant to Secretary's Memorandum No. 1988 approved May 22, 1979. This action transferred certain financing authorities under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from the Farmers Home Administration (FmHA) to the Rural Electrification Administration for the purpose of financing the construction of community antenna television services or facilities in rural areas. The RCDF was set up to insure or guarantee loans for community antenna television services or facilities to both cooperatives and commercial borrowers. The program was authorized to utilize the Community Facility authority and the Business and Industrial authorities of the Rural Development Act of 1972.

During fiscal years 1979 and 1980, loan guarantees and administrative costs were funded from amounts authorized for or originally appropriated to FmHA. Since fiscal year 1980, all applicable administrative costs have been provided for in the REA Salaries and Expenses appropriation. Loan authority made available is provided for separately under the Rural Communication Development Fund.

In 1981, it was determined that sufficient capital was available from private investors and that the activity could be more appropriately financed by the private sector. REA continues to administer the existing program by making advances on previous loans and performing debt servicing. The last loan approved or guaranteed under this authority was in fiscal year 1981.

RURAL ELECTRIFICATION ADMINISTRATION
Available Funds and Staff-Years
1991 Actual and Estimated 1992 and 1993

Item	1991	Staff:	1992	Staff:	1993	Staff:
	Actual a/ Appropriation		Estimate Amount		Estimated Amount	
Loan Authorizations:						
Rural Electrification:						
Direct loans.....	\$485,453,000		\$622,050,000		\$523,740,000	--
Direct loans, FFB/ Treasury Rate.....	813,439,425	--	813,450,000	--	813,450,000	--
Private sector.....	161,817,000	--	--	--	176,266,000	--
Total, electric loans...	1,460,709,425	--	1,435,500,000	--	1,513,456,000	--
Rural Telephone:						
Direct loans.....	186,547,000	--	239,250,000	--	--	--
Direct loans, FFB	119,623,445	--	119,625,000	--	--	--
Private sector.....	62,183,000	--	--	--	--	--
Total, telephone loans..	368,353,445	--	358,875,000	--	--	--
Rural Telephone Bank Loans:						
Direct Loans	177,042,698	--	177,045,000	--	415,000,000	--
Special need interest rate loans.....	--	--	--	--	60,000,000	--
Total, RTB loans.....	177,042,698	--	177,045,000	--	475,000,000	--
Modified Loans.....	--	--	493,700,000	--	266,000,000	--
Rural Economic Development Loans.....	4,999,935	--	8,406,000	--	15,563,000	--
Total, REA Loan Authorizations.....	2,011,105,503	--	2,473,526,000	--	2,270,019,000	--
Salaries and Expenses:						
RETL:						
Appropriated.....	25,452,019	--	29,406,000	--	32,822,000	--
Non-appropriated.....	2,501,000b/	--	--	--	--	--
Total, RETL.....	27,953,019	393	29,406,000	402	32,822,000	405
RTB:						
Appropriated.....	7,602,551	--	8,632,000	--	--	--
Non-appropriated.....	82,412b/	--	--	--	9,500,000c/	--
Total, RTB.....	7,684,963	118	8,632,000	118	9,500,000	121
Total, S&E.....	35,637,982	511	38,038,000	520	42,322,000	526
Appropriated.....	33,054,570	--	38,038,000	--	32,822,000	--
Non-appropriated.....	2,583,412	--	--	--	9,500,000	--
Reimbursement to the revolving fund for interest subsidies and losses.....	266,603,000	--	--	--	--	--
Purchase of Capital Stock.....	28,709,627	--	--	--	--	--
Rural Economic Development Loans	4,999,935	--	--	--	--	--
Rural Communication: Development Fund.....	1,264,000	--	--	--	--	--

Item	1991		1992		1993	
	Actual		Estimated		Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Loan Subsidies:						
Electric:						
Direct.....	--	--	117,319,000:	--	98,306,000	--
Direct FFB/ Treasury Rate.....	--	--	14,152,000:	--	35,304,000	--
Private Sector Guarantees.....	--	--	--	--	71,000	--
Telephone:						
Direct	--	--	40,290,000:	--	--	--
Direct, FFB.....	--	--	--	--	--	--
Private Sector Guarantees.....	--	--	--	--	--	--
Rural Telephone Bank:						
Direct Loans.....	--	--	3,629,000:	--	83,000	--
Special need interest rate loans.....	--	--	--	--	10,026,000	--
Modified Loans	--	--	--	--	47,880,000	--
Rural Economic Development:						
Appropriated.....	--	--	2,546,000:	--	--	--
Non-appropriated.....	--	--	--	--	4,300,000d/	--
Grants:						
Appropriated:						
Distance Learning and Medical Link Grant.....	--	--	5,000,000:	--	--	--
Non-appropriated:						
Rural Economic Development.....	--	--	4,969,000d/--	--	--	--
Total.....	337,214,544:	511	225,943,000:	520	238,292,000	526
Appropriated Funds.....	334,631,132:	511	220,974,000:	520	224,492,000	405
Non-appropriated Funds.....	2,583,412:	--	4,969,000:	--	13,800,000	121
Full-time Equivalent Staff Years	<u>Actual</u>		<u>Estimated</u>		<u>Estimated</u>	
Ceiling.....	511		550		526	
Non-ceiling.....	--		--		--	
Total.....	<u>511</u>		<u>550 e/</u>		<u>526</u>	

a/ For 1991, all amounts reflect G/R/H reductions.

b/ These expenses paid directly from cash balances of the account.

c/ Represents estimated amount of fees to be collected on new RTB loans which will be used to offset administrative expenses of the RTB.

d/ Available from interest differential income.

e/ Funding for Fiscal Year 1992 supports 520 staff years.

RURAL ELECTRIFICATION ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary1991 and Estimated 1992 and 1993

Grade	1991			1992			1993		
	Head- quarters	Field	Total	Head- quarters	Field	Total	Head- quarters	Field	Total
Executive Level V	1	--	1	1	--	1	1	--	1
ES-5	1	--	1	1	--	1	1	--	1
ES-4	1	--	1	1	--	1	1	--	1
ES-3	1	--	1	1	--	1	1	--	1
ES-1	2	--	2	3	--	3	3	--	3
SL-00	1	--	1	1	--	1	1	--	1
GS/GM-15	15	--	15	15	--	15	15	--	15
GS/GM-14	51	--	51	52	--	52	52	--	52
GS/GM-13	85	105	190	87	106	193	88	107	195
GS-12	60	5	65	60	5	65	61	5	66
GS-11	31	3	34	32	3	35	33	2	35
GS-10	--	--	--	--	--	--	--	--	--
GS-9	25	--	25	26	--	26	28	--	28
GS-8	8	--	8	8	--	8	8	--	8
GS-7	44	--	44	44	--	44	45	--	45
GS-6	38	--	38	38	--	38	38	--	38
GS-5	17	--	17	17	--	17	17	--	17
GS-4	11	--	11	12	--	12	12	--	12
GS-3	6	--	6	5	--	5	5	--	5
GS-2	2	--	2	2	--	2	2	--	2
GS-1	--	--	--	--	--	--	--	--	--
Ungraded Positions:	--	--	--	--	--	--	--	--	--
Total Permanent Positions.....	400	113	513	406	114	520	412	114	526
Staff-Years:									
Ceiling.....	398	113	511	406	114	520	412	114	526
Non-Ceiling.....	--	--	--	--	--	--	--	--	--
Total	398	113	511	406	114	520	412	114	526

RURAL ELECTRIFICATION ADMINISTRATION

Classification by Objects1991 and Estimated 1992 and 1993

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Personnel Compensation:			
Headquarters.....	\$16,548,857	\$18,377,160	\$19,385,780
Field.....	6,091,507	6,456,840	6,811,220
Other.....	--	14,000	15,000
Total personnel compensation.....	22,640,364	24,848,000	26,212,000
12 Personnel benefits.....	3,930,726	4,696,000	5,433,000
13 Benefits to Former Personnel.....	13,087	15,000	15,000
Total, Personnel Compensation and Benefits..	<u>26,584,177</u>	<u>29,559,000</u>	<u>31,660,000</u>
Other Objects:			
21 Travel.....	1,590,564	1,927,000	2,018,000
22 Transportation of things.....	11,643	30,000	90,000
23.3 Communications, Utilities and Other Rent	840,498	1,212,000	1,377,000
24 Printing and reproduction.....	357,711	482,000	602,000
25 Other services.....	1,941,726	3,084,000	4,125,000
26 Supplies and materials.	461,521	617,000	874,000
31 Equipment.....	646,479	1,127,000	1,576,000
33 Investments & Loans....	2,077,640,227	2,473,526,000	2,389,057,000
41 Grants and Subsidy.....	--	187,905,811	195,970,000
42 Insurance claims.....	1,000	--	--
43 Interest and dividends	2,479,936,000	2,623,507,000	2,638,789,000
Total, Other Objects...	<u>4,563,427,369</u>	<u>5,293,417,811</u>	<u>5,234,478,000</u>
Total, Direct Obligations	<u>4,590,011,546</u> a/	<u>5,322,976,811</u> b/	<u>5,266,138,000</u>

Position Data:

Average Salary, ES positions.....	\$95,686	\$98,030	\$101,657
Average Salary, GS/GM positions.....	43,104	46,591	48,579
Average Grade, GS/GM positions.....	10.95	10.96	10.96

a/ Actual obligations include Salaries and Benefits of \$192,215 and \$14,952 in travel and other expenses for Office of the Administrator.

b/ Estimated obligations include Salaries and Benefits of \$218,000 and travel and other expenses of \$25,000 for Office of the Administrator.

RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (deleted matter enclosed in brackets; new material underscored):

Rural Electrification and Telephone Loans Program Account

- 1 [Insured] No insured or guaranteed telephone loans pursuant to the authority [of] in section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made [as follows: rural electrification loans, not less than \$622,050,000 nor more than \$933,075,000; and rural telephone loans, not less than \$239,250,000 nor more than \$311,025,000; to remain available until expended: Provided, That loans made pursuant to section 306 of that Act are in addition to these amounts but during fiscal year 1992 total commitments to
- 2 guarantee loans pursuant to section 306 shall be not less than \$933,075,000 nor more than \$2,100,615,000 of contingent liability for total loan principal: Provided further, That loans may be modified in an amount not to exceed \$493,700,000: Provided further, That as a condition of approval of insured electric loans during fiscal year 1992, borrower shall obtain concurrent supplemental financing in accordance with the applicable criteria and ratios in effect as of July 15, 1982: Provided further, That no funds appropriated in this Act may be used to deny or reduce loans or loan advances based upon a borrower's level of general funds: Provided further, That no funds appropriated in this Act may be used to implement any other criteria, ratio, or test to deny or reduce loans or loan advances] in fiscal year 1993; and in
- 3 addition beginning in fiscal year 1993 and thereafter, section 306 loans shall be direct loans made by the REA at Treasury interest rates. For the cost of such direct loans, \$35,304,000 and for loan modifications \$47,880,000: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds, are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$813,450,000 and for modified loans not to exceed \$266,000,000. Provided, That funds in this account for fiscal years 1992 and 1993 shall remain available until the loans obligated in fiscal year 1992 and fiscal year 1993 are fully expended.

- 4 [For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, \$157,609,000, and cost of loans guaranteed pursuant to section 306, \$14,152,000.]

- 5 In addition, for administrative expenses necessary to carry out the direct [and guaranteed] loan programs, [\$29,163,000] \$32,822,000.

[Hereafter, no funds in this Act or any other Act shall be available to carry out loan programs under the Rural Electrification and Telephone Revolving Fund at levels other than those provided for in advance in appropriations Acts.]

The first change updates the language to reflect that no telephone loans will be made pursuant to section 305 of the Rural Electrification Act of 1936, as amended (RE Act); all telephone loans will be made by the Rural Telephone Bank.

The second change eliminates 1992 appropriated loan limitation language to be replaced with language described in item 3. This change also eliminates the condition of loan approval that pertains to applicable criteria and ratios in effect as of July 15, 1982, and removes the provision restricting REA from using appropriated funds to implement any other criteria, ratio, or test to deny or reduce loans or loan advances.

The third change allows REA to make section 306 loans (formerly FFB loans) at Treasury interest rates and updates the subsidy cost and loan authority for Treasury interest rate and modified loans. This change also provides that funds made available in this account in fiscal years 1992 and 1993 remain available until the loans made in those years are fully disbursed.

The fourth change deletes the 1992 subsidy language which is replaced with 1993 language in Item 3 above.

The fifth change updates the funds requested for administrative expenses and eliminates language which is no longer necessary.

DEPARTMENTAL OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and Telephone Loan Program

Loan Authorizations

	<u>Loan Authorization</u>
<u>Electrification Loans:</u>	
Direct Loan, RETL:	
Appropriation Act, 1992	\$622,050,000
Budget Estimate, 1993	<u>523,740,000</u>
Change	- 98,310,000
Direct Loans, Treasury Rate	
Appropriation Act, 1992	813,450,000
Budget Estimate, 1993	<u>813,450,000</u>
Change	--
Private Sector Loan Guarantees (90%)	
Appropriation Act, 1992	--
Budget Estimate, 1993	<u>176,266,000</u>
Change	<u>+176,266,000</u>
Increase From 1992	<u>+77,956,000</u>
<u>Telephone Loans:</u>	
Direct Loans, RETL:	
Appropriation Act, 1992	239,250,000
Budget Estimate, 1993 a/	<u>--</u>
Change	-239,250,000
Direct Loans, FFB	
Appropriation Act, 1992	119,625,000
Budget Estimate, 1993 a/	<u>--</u>
Change	-119,625,000
Private Sector Loan Guarantees	
Appropriation Act, 1992	--
Budget Estimate, 1993 a/	<u>--</u>
Change	--
Decrease From 1992	-358,875,000
<u>Modified Loans</u>	
Appropriation Act, 1992	493,700,000
Budget Estimate, 1993	<u>266,000,000</u>
Change	<u>-227,700,000</u>
Total Decrease, RETL	<u>-508,619,000</u>

a/ In fiscal year 1993, all telephone loans will be made by the Rural Telephone Bank.

SUMMARY OF INCREASES AND DECREASES

(On basis of loan authorizations, subsidies, and administrative expenses)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Change</u>	<u>1993 Estimated</u>
Direct REA Loans.....	\$861,300,000	-\$337,560,000	\$523,740,000
Direct FFB/Treasury Rate Loans....	933,075,000	-119,625,000	813,450,000
Direct REA Loan Subsidy	157,609,000	-59,303,000	98,306,000
Direct FFB/Treasury Rate Loan Subsidy.....	14,152,000	+21,152,000	35,304,000
Guaranteed Loan, Private Sector...	--	+176,266,000	176,266,000
Guaranteed Loan Subsidy.....	--	+71,000	71,000
Modified Loans	493,700,000	-227,700,000	266,000,000
Modified Loan Subsidy.....	--	+47,880,000	47,880,000
Administrative Expenses.....	<u>29,406,000</u>	<u>+3,416,000</u>	<u>32,822,000</u>
TOTAL:			
Loans.....	2,288,075,000	-508,619,000	1,779,456,000
Subsidy.....	171,761,000	+9,800,000	181,561,000
Administrative Expenses.....	<u>29,406,000</u>	<u>+3,416,000</u>	<u>32,822,000</u>

PROJECT STATEMENT

(On basis of loan authorization, subsidies, and administrative expenses)

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
<u>Rural Electrifi-</u>				
<u>cation Loans:</u>				
Direct, REA ..	\$485,453,000	\$622,050,000	-\$98,310,000(1)	\$523,740,000
Direct, REA				
Subsidy.....	--	117,319,000	-19,013,000(2)	98,306,000
Direct, FFB/ Treasury Rate..	850,509,000	813,450,000	--	813,450,000
Direct, FFB/ Treasury Rate				
subsidy.....	--	14,152,000	+21,152,000(3)	35,304,000
Private Sector				
Guaranteed				
Loans.....	--	--	+176,266,000(4)	176,266,000
Private Sector				
Guaranteed				
Loan Subsidy..	--	--	+71,000(5)	71,000
Subtotals:				
Loans.....	1,335,962,000	1,435,500,000	+77,956,000	1,513,456,000
Subsidies.....	--	131,471,000	+2,210,000	133,681,000
<u>Rural Telephone</u>				
<u>Loans:</u>				
Direct, REA...	186,429,000	239,250,000	-239,250,000(6)	--
Direct, REA				
Subsidy.....	--	40,290,000	-40,290,000(7)	--
Direct, FFB....	73,346,000	119,625,000	-119,625,000(8)	--
Private Sector				
Guaranteed				
Loans.....	--	--	--	--
Private Sector				
Guaranteed				
Loan Subsidy..	--	--	--	--
Subtotals:				
Loans.....	259,775,000	358,875,000	-358,875,000	--
Subsidies.....	--	40,290,000	-40,290,000	--
<u>Modified Loans..</u>				
Modified Loans..	--	493,700,000	-227,700,000(9)	266,000,000
Modified Loan				
subsidy.....	--	--	+47,880,000(10)	47,880,000
<u>Administrative</u>				
<u>expense</u>	27,476,255a/	29,406,000	+3,416,000(11)	32,822,000
Unobligated				
balances.....	233,802,634	--	--	--
G/R/H reductions:	12,461	--	--	--
Total, Appro-				
priation Level..	1,857,028,350	2,489,242,000	-1,326,608,000	1,195,456,000b/
Loans.....	1,829,075,000	2,288,075,000	-508,619,000	1,779,456,000
Subsidy.....	--	171,761,000	+9,800,000	181,561,000
Administrative:				
expenses.....	27,953,350	29,406,000	+3,416,000	32,822,000

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Total				
Direct Loans.....	1,605,075,000	1,794,375,000	-457,185,000	1,337,190,000
Direct Loan				
Subsidy.....	--	171,761,000	-38,151,000	133,610,000
Guaranteed Loans:	224,000,000	--	+176,266,000	176,266,000
Guaranteed Loan				
Subsidy.....	--	--	+71,000	71,000
Modified Loans	--	493,700,000	-227,700,000	266,000,000
Modified Loan				
Subsidy.....	--	--	+47,880,000	47,880,000
Administrative				
expenses.....	27,953,350	29,406,000	+3,416,000	32,822,000

a/ Includes \$2,501,000 in obligations paid directly from the fund.

b/ The 1993 appropriated level includes loan levels and subsidies for direct Treasury rate and modified loans only. Excludes \$798,383,000 for loan levels and subsidies mandated by OBRA.

EXPLANATION OF ELECTRIC AND TELEPHONE LOAN PROGRAM

The loan authorizations of the Rural Electrification Administration are used to carry out the provisions of the Rural Electrification Act of 1936, as amended. The objectives of the program are to provide loans at reasonable interest rates to borrowers that produce and distribute electricity and provide telephone service. REA administers the rural electrification program, which provides loans to borrowers that distribute electricity to farms and other retail users; and the rural telephone program, which furnishes and improves telephone service in rural areas. In fiscal year 1993 all telephone loans will be made by the Rural Telephone Bank.

The 1993 budget reflects the credit reform procedures for Federal credit programs authorized by Title XIII of the Omnibus Budget Reconciliation Act of 1990. The Act requires that budget authority and outlays for these programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. Loan levels are included in the appropriation language request along with the estimated subsidy. Loans which are renegotiated to allow a borrower to repay are considered new direct loans, or modified loans, and, as such, require an appropriated subsidy. The appropriation language will also specify the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the present value of estimated cashflows over the lifetime of the loan. Outlays represent the portion of the subsidy related to the loan amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in loan program accounts. All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a financing account and are considered off-budget for purposes of estimating the deficit. Budget authority and outlays for existing portfolios of loans are reflected in the budget in liquidating accounts and are calculated as before, to represent disbursements, borrower repayments, and Federal Financing Bank repayments.

Electrification Program Statistics 1/
(Dollars in thousands)

	Cumulative Thru FY 1991 <u>Actual</u>	<u>Cumulative Estimates</u>	
		<u>FY 1992</u>	<u>FY 1993</u>
REA financed loans.....	\$22,026,711	\$22,026,711	\$22,026,711
REA funds advanced.....	20,916,099	21,376,099	21,656,099
REA unadvanced funds, end of year.	1,110,613	650,612	370,612
REA principal repaid.....	8,368,819	8,776,519	9,437,149
REA interest paid.....	7,469,353	7,987,753	8,482,253
FFB/Treasury rate loans.....	29,337,341	29,337,341	29,337,341
Consumers served-calendar year (thousand-estimated) 2/...	12,600	12,817	13,034
Miles energized-calendar year (thousand-estimated) 2/...	2,218	2,238	2,258
Number of borrowers.....	956	940	907

Telephone Program Statistics 1/
(Dollars in thousands)

	Cumulative. Thru FY 1991 <u>Actual</u>	<u>Cumulative Estimates</u>	
		<u>FY 1992</u>	<u>FY 1993</u>
REA financed loans.....	\$6,120,015	\$6,120,015	\$6,120,015
REA funds advanced	5,216,083	5,416,083	5,571,083
REA unadvanced funds, end of year....	903,931	703,932	548,932
REA principal repaid	1,913,043	2,038,843	2,176,078
REA interest paid	1,641,938	1,773,338	1,908,878
FFB financed loans.....	609,552	609,552	609,552
Route miles of line constructed or improved-(thousand-estimated) 3/	935	946	957
Dial subscribers, new and improved service-calendar year (thousands-estimated) 3/.....	5,560	5,640	5,720
Number of borrowers.....	947	945	944

- 1/ This account records all program statistics resulting from direct loans obligated prior to fiscal year 1992.
- 2/ Data represents accomplishments from all sources of funds.
- 3/ Data represents accomplishments from borrowers financed 20 percent or more by REA, RTB, and guaranteed loans.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$98,310,000 in direct electric loans (\$622,050,000 available in 1992).

Need for Change. The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandated insured electric loan levels for fiscal year 1993.

Nature of Change. The level of RETRF insured electric loans is decreased to reflect the amount mandated in OBRA.

- (2) A decrease of \$19,013,000 for direct electric loan subsidies (\$117,319,000 available in 1992).

Need for change. The subsidy needed to support each loan level must be recalculated based on Federal Credit Reform Act requirements.

Nature of change. The subsidy costs of the direct loan program is recalculated and decreased to reflect the cost of the OBRA level mandated for fiscal year 1993.

- (3) An increase of \$21,152,000 for direct electric, Treasury rate loan subsidies (\$14,152,000 available in 1992).

Need for Change. The increase is due to borrowers receiving direct REA loans at the Treasury rate and not being required to pay the additional 1/8 percent required by FFB.

Nature of Change. Under the Federal Credit Reform Act of 1990, the estimated long-term cost of a direct loan is to be calculated on a net present value basis.

- (4) An increase of \$176,266,000 in guaranteed private-sector electric loans (program not funded in 1992).

Need for Change. The OBRA mandated the fiscal year 1993 level for guaranteed private-sector electric loans.

Nature of Change. The level of guaranteed private-sector electric loans is increased to the amount mandated in OBRA.

- (5) An increase of \$71,000 in guaranteed private-sector electric loan subsidies (program not funded in 1992).

Need for change. The subsidy needed to support each loan level must be recalculated based on Federal Credit Reform Act of 1990 requirements.

Nature of change. The subsidy costs of the guaranteed loan program is recalculated and increased to reflect the cost of the OBRA level mandated for guaranteed private sector electric loans.

- (6) An decrease of \$239,250,000 in direct telephone loans (\$239,250,000 available in 1992).

Need for Change. The Administration is shifting all telephone loans to the Rural Telephone Bank. Most telephone borrowers are financially able to pay the Rural Telephone Bank interest rate. This will reduce the subsidy cost while providing below market interest rates to borrowers.

Nature of Change. The level of direct telephone loans is reduced to reflect the shift of all telephone loans to the Rural Telephone Bank.

- (7) A decrease of \$40,290,000 for direct telephone loan subsidies (\$40,290,000 available in 1992.)

Need for Change. The Administration is shifting all telephone loans to the Rural Telephone Bank, therefore requiring no subsidy for these loans in this account.

Nature of Change. The level of direct telephone loan subsidy is reduced to reflect the shift of all telephone loans to the Rural Telephone Bank.

- (8) A decrease of \$119,625,000 in FFB financed direct telephone loans (\$119,625,000 available in 1992).

Need for Change. The Administration is shifting all telephone loans to the Rural Telephone Bank. Most telephone borrowers are financially able to pay the Rural Telephone Bank interest rate. This will reduce the subsidy cost while providing below market interest rates to borrowers.

Nature of Change. The level of FFB financed direct telephone loans is reduced to reflect the shift of all telephone loans to the Rural Telephone Bank.

- (9) A decrease of \$227,700,000 for modified loans (\$493,700,000 available in 1992).

Need for Change. REA estimates one loan restructure in fiscal year 1993. This modification to the terms and conditions of the loan will allow the borrower to meet its financial commitment to the Government.

Nature of Change. The level of modified loans is decreased to reflect the required appropriated loan limitation for fiscal year 1993.

- (10) An increase of \$47,880,000 for modified loan subsidies (not requested in 1992).

Need for Change. Under Federal Credit Reform, loans that are restructured require a subsidy appropriation. The estimated long-term cost of the loan was calculated on a net present value basis.

Nature of Change. Based on the assumptions for the restructure agreement, the estimated long-term cost of the loan was calculated on a net present value basis.

- (11) An increase of \$3,416,000 for administrative expenses. This increase is justified as part of total REA in Salaries and Expenses, p.12-34 of the Notes.

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

Number and Amount of Direct REA Electrification and
Telephone Loans by State, Fiscal Year 1991

	<u>ELECTRIC</u>		<u>TELEPHONE</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
UNITED STATES	127	\$485,453,000	43	\$186,429,000
Alabama	4	27,057,000		
Alaska	1	848,000	1	4,680,000
Arizona			1	9,756,000
Arkansas	1	3,237,000	2	5,472,000
Colorado	7	18,561,000	2	3,871,000
Florida	4	21,267,000	1	6,872,000
Georgia	13	118,369,000	3	18,867,000
Idaho	1	3,603,000	1	633,000
Indiana	6	8,225,000	2	4,143,000
Iowa	8	20,670,000	1	452,000
Kansas	4	5,057,000		
Kentucky	7	19,656,000	1	5,000,000
Louisiana	2	3,975,000		
Maine			1	1,248,000
Maryland	1	11,900,000		
Michigan	5	11,302,000	1	3,961,000
Minnesota	11	18,031,000	1	439,000
Mississippi	2	9,366,000	1	9,659,000
Missouri	6	33,001,000		
Montana	2	2,178,000		
Nebraska	2	3,917,000		
New Mexico	4	10,402,000	1	2,104,000
New York			3	6,651,000
North Carolina	6	34,987,000	2	4,461,000
North Dakota	2	5,894,000		
Ohio	6	26,976,000		
Oklahoma	1	2,790,000	1	7,769,000
Oregon	1	420,000	2	4,444,000
Pennsylvania	2	5,873,000	1	1,841,000
South Carolina	1	7,087,000		
South Dakota	3	4,084,000	5	28,685,000
Tennessee	1	6,314,000	5	38,619,000
Texas	7	24,953,000	2	11,710,000
Utah	1	2,384,000		
Vermont	1	1,555,000		
Virginia	1	4,655,000	1	2,812,000
Wisconsin	3	6,859,000	1	2,280,000

Number and Amount of Direct, FFB Electrification and
Telephone Loans by State, Fiscal Year 1991

	<u>ELECTRIC</u>		<u>TELEPHONE</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
UNITED STATES	21	\$850,509,000	2	\$73,346,000
Alabama	2	38,272,000		
Florida	2	36,681,000		
Georgia	1	4,100,000		
Iowa	1	36,338,000		
Kentucky	2	2,540,000		
Maryland	1	18,355,000		
Michigan	1	1,716,000		
Minnesota	2	670,000		
Missouri	1	1,796,000		
North Carolina	2	14,000,000		
Oregon	1	3,940,000		
Tennessee	1	1,200,000		
Texas	1	24,662,000		
Virginia	1	663,000,000		
Washington	1	825,000		
Wisconsin	1	2,414,000		
Guam			1	24,700,000
Northern Mariana Island			1	48,646,000

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and Telephone Revolving Fund

Reimbursement for Interest Subsidies and Losses

Appropriation Act, 1992.....	\$	--
Budget Estimate, 1993.....		--
Change in Appropriation.....		--

PROJECT STATEMENT
(On basis of appropriation)

Project	:1991 Actual :	1992 Estimated :	Decrease	:1993 Estimated
Reimbursement to	:	:	:	:
the revolving fund :	:	:	:	:
for interest subsi-:	:	:	:	:
dies and losses... :	\$266,603,000:	--	:	--
Total, Appropriation :	\$266,603,000:	--	:	--

EXPLANATION OF PROGRAM

This account reimburses the Rural Electrification and Telephone Revolving Fund for interest subsidies and expenses resulting from defaults incurred on guaranteed loans which were paid by the revolving fund. With the implementation of credit reform, additional funds are not needed through direct appropriation.

RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (deleted matter enclosed in brackets, new material underscored):

1 Rural Economic Development [Subaccount] Loans Program Account

[For loans authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$8,406,000].

- 2 [For the cost, as defined in section 13021 of the Budget Enforcement Act of 1990, of direct loans, \$2,546,000] For the cost of direct loans, not to exceed
3 \$4,300,000 generated by the interest differential on voluntary cushion of
credit payments made by REA borrowers, shall be used to provide the necessary
loan subsidies: Provided, That such costs, including the cost of modifying such
loans, shall be as defined in section 502 of the Congressional Budget Act of
1974: Provided further, That these funds are available to subsidize gross
obligations for the principal amount of direct loans not to exceed \$15,563,000.

The first change changes the account title in accordance with the Federal Credit Reform Act of 1990.

The second change deletes the authority that was included in the fiscal year 1992 language.

The third change provides loan levels and subsidies for 1993 and reflects the appropriation language change which will allow utilization of cushion of credit earnings for subsidies in support of Rural Economic Development loans.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Rural Economic Development Loans

	<u>Loan Authority</u>	<u>Subsidy</u>
Appropriation Act, 1992	\$ 8,406,000	\$2,546,000
Budget Estimate, 1993.....	<u>15,563,000</u>	<u>4,300,000a/</u>
Increase.....	<u>+7,157,000</u>	<u>+1,754,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of loan levels and subsidies)

<u>Item of Change</u>	<u>1992 Estimated</u>	<u>Changes</u>	<u>1993 Estimated</u>
Loan Authority	\$8,406,000	+\$7,157,000	\$15,563,000
Subsidy - Appropriation	2,546,000	-2,546,000	--
Subsidy - Earnings	--	+4,300,000	4,300,000 a/

a/ In fiscal year 1993, earnings generated by the interest differential on voluntary cushion of credit payments made by REA borrowers shall be used to provide the necessary loan subsidies. In fiscal year 1992, these earnings will be used to make rural development grants.

PROJECT STATEMENT
(on basis of available funds, loans levels, grants and subsidies)

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Loans obligated.....	\$9,548,600	\$8,406,000	+\$7,157,000(1)	\$15,563,000
Subsidy.....	--	2,546,000	+1,754,000(2)	4,300,000
Grants.....	--	4,969,811	-4,969,811(3)	--
Total:				
Appropriated:				
Loans.....	4,999,935	--	--	--
G/R/H Reduction..	65	--	--	--
Total, Loan				
Appropriation....	5,000,000	--	--	--
Loan Authority....	5,000,000	8,406,000	+7,157,000	15,563,000
Loan Subsidy.....	--	2,546,000	-2,546,000	--
Non-Appropriated:a/				
Loans.....	4,548,665	--	--	--
Grants.....	--	4,969,811	-4,969,811	--
Loan Subsidy.....	--	--	+4,300,000	4,300,000

a/ Earnings generated by the interest differential on voluntary cushion of credit payments made by REA borrowers.

EXPLANATION OF PROGRAM

This subaccount provides funds for loans and grants authorized under section 313 of the Rural Electrification Act of 1936, as amended, for the purpose of promoting rural economic development and job creation projects including funding for project feasibility studies costs, start-up costs, incubator projects, and other expenses for the purpose of fostering rural development.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase in loan authority of \$7,157,000 (\$8,406,000 available in 1992).

Need for Change. The increase in loan authority reflects the supportable loan level based on projected interest earnings on cushion of credit payments made by REA borrowers.

Nature of Change. The level of rural development loans is increased to reflect the utilization of interest earnings on cushion of credit payments by REA borrowers for loan subsidies.

- (2) An increase of \$1,754,000 for rural economic development loan subsidies (\$2,546,000 appropriated in 1992).

Need for Change. For these loans, earnings generated by the interest differential on voluntary cushion of credit payments made by REA borrowers will provide funds to meet the subsidy needs of the program.

Nature of Change. No appropriation for loan subsidies is requested in fiscal year 1993. Under credit reform requirements, a subsidy amount must be calculated to support all loan levels.

- (3) A decrease in grants of \$4,969,811 (\$4,969,811 available in 1992).

Need for Change. The decrease reflects the use of interest earnings on cushion of credit payments made by REA borrowers in fiscal year 1993 for rural development loan subsidies rather than grants.

Nature of Change. Earnings generated by the interest differential on cushion of credit payments made by REA borrowers will be used to cover the necessary loan subsidies.

UNITED STATES DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

Number and Amount of REA Rural Economic Development
Loans by State, Fiscal Year 1991

	<u>ELECTRIC</u>		<u>TELEPHONE</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
UNITED STATES	75	\$6,930,500	33	\$2,618,100
Alabama	1	100,000		
Alaska			1	100,000
Colorado	1	100,000		
Georgia			1	100,000
Illinois	1	100,000		
Indiana	1	100,000		
Iowa	1	100,000	4	330,000
Kansas	1	100,000		
Louisiana	2	200,000	1	100,000
Michigan	3	220,000	1	100,000
Minnesota	5	495,000	8	585,000
Mississippi	4	400,000		
Missouri	1	76,500		
Montana	4	315,000	3	197,500
Nevada			1	50,000
New Mexico	1	100,000	2	200,000
North Carolina	2	200,000		
North Dakota	13	1,034,000		
Ohio	4	400,000		
Oklahoma	2	200,000		
Oregon	1	50,000		
Pennsylvania	4	400,000		
South Carolina	1	100,000		
South Dakota	3	300,000	3	270,000
Tennessee	15	1,440,000		
Texas	1	100,000		
Utah	1	100,000		
Wisconsin	2	200,000	7	550,600
Wyoming			1	35,000

RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Telephone Bank Program Account

- 1 The Rural Telephone Bank is hereby authorized to make such expenditures, within
the limits of funds available to such corporation in accord with law, and to
2 make such contracts and commitments [without regard to fiscal year limitations
as provided by Section 104 of the Government Corporation Control Act, as
amended,] as may be necessary in carrying out its authorized programs for the
3 current fiscal year. During Fiscal Year [1992] 1993, and within the resources
and authority available, gross obligations for the principal amount of direct
4 loans shall be [not less than \$177,045,000 nor more than \$210,540,000]
\$475,000,000. Notwithstanding any other provision of law, the Governor of the
Rural Telephone Bank has discretionary authority to make loans at not less than
five percent, in amounts not to exceed \$60 million, to borrowers determined to
be financially needy.

- 5 [For the cost, as defined in Section 13201, of the Budget Enforcement Act of
1990, including the cost of modifying loans, of direct loans authorized by the
Rural Electrification Act of 1936, as amended (7 U.S.C. 935), \$3,629,000].
For the cost of direct loans \$10,109,000, as authorized by the Rural
Electrification Act of 1936 as amended: Provided, That such costs, including
the cost of modifying such loans, shall be as defined in section 502 of the
Congressional Budget Act of 1974: Provided further, That these funds are
available to subsidize gross obligations for the principal amount of direct
loans not to exceed \$475,000,000: Provided, That such sums made available in
1992 and 1993 are to remain available through 2000 for the disbursement of
loans obligated in fiscal years 1992 and 1993.

- 6 [In addition, administrative expenses necessary to carry out the loan programs,
\$8,632,000].

The first change deletes the provision that abolishes a fiscal year limitation.

The second change updates the fiscal year designation.

The third change eliminates the range for direct loans.

The fourth change allows the Rural Telephone Bank Governor to make loans at a rate
less than the rate determined by the current formula and provides a loan limitation.

The fifth change eliminates 1992 language and provides new language appropriating
1993 loan levels and subsidies. Subsidy made available in 1992 and 1993 will remain
available through 2000 to cover loans obligated in 1992 and 1993 and disbursed
through 2000.

The sixth change eliminates 1992 language. In fiscal year 1993 loan origination
fees, deposited directly into the Salaries and Expenses account, will provide funds
for administrative expenses.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

RURAL TELEPHONE BANK

	<u>Direct Loan Authorization</u>	<u>Direct Loan Subsidies</u>
Appropriation Act, 1992	\$177,045,000 a/	\$3,629,000
Budget Estimate, 1993	475,000,000	10,109,000
Change	<u>+297,955,000</u>	<u>+6,480,000</u>

a/ The loan level supportable by the amount of appropriated loan subsidy is \$177,024,000.

SUMMARY OF INCREASES AND DECREASES

(On basis of loans, subsidies and administrative expenses)

	<u>1992 Estimate</u>	<u>Program Changes</u>	<u>1993 Estimate</u>
<u>Loan Program:</u>			
Direct loans.....	\$177,045,000	+\$237,955,000	\$415,000,000
Special need interest rate loans.	--	+ 60,000,000	60,000,000
<u>Loan Subsidy:</u>			
Direct loans.....	3,629,000	-3,546,000	83,000
Special need interest rate loans.	--	+10,026,000	10,026,000
Administrative Expenses.....	8,632,000	+868,000	9,500,000 b/

PROJECT STATEMENT

(On basis of appropriated loan authorizations, subsidies and administrative expenses)

Project	: 1991 : Actual	: 1992 : Estimated	: Change	: 1993 : Estimated
Direct loans.....	\$177,042,600	\$177,045,000	+\$237,955,000(1)	\$415,000,000
Special need interest rate loans	--	--	+60,000,000(2)	60,000,000
Direct loan subsidy.....	--	3,629,000	-3,546,000(3)	83,000
Special need interest rate loan subsidy.....	--	--	+10,026,000(4)	10,026,000
Administrative expenses...	7,542,553c/	8,632,000	+868,000(5)	9,500,000
Unobligated loan balances:	142,508	--	--	--
G/R/H Reductions.....	2,401	--	--	--
Paid from fees b/.....	--	--	-9,500,000	-9,500,000
<u>Total, Appropriation.....</u>	<u>184,730,062</u>	<u>189,306,000</u>	<u>+295,803,000</u>	<u>485,109,000</u>
Total:				
Loan authority.....	177,045,000	177,045,000	+297,955,000	475,000,000
Loan subsidy.....	--	3,629,000	+ 6,480,000	10,109,000
Administrative expenses...	7,685,062	8,632,000	+ 868,000	9,500,000

b/ A loan origination fee of 2 percent will be charged and the funds from the fees will be deposited directly into the Salaries and Expenses account for administrative expenses of the Rural Telephone Bank.

c/ Includes \$82,412 in obligations paid directly from RTB.

EXPLANATION OF RURAL TELEPHONE BANK PROGRAM

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act of 1936, as amended, to establish the Rural Telephone Bank as a supplemental source of financing the Rural Telephone Program. The Act, as amended, permitted the Secretary of the Treasury to purchase the Bank's debentures. This reduced RTB borrower costs. Public Law 93-32, approved May 11, 1973, further amended the Act to increase the Bank's borrowing authority from eight to twenty times its paid-in-capital and retained earnings. The Bank charges an interim rate from date of advance until the end of the fiscal year of the Bank's rate of borrowing from Treasury. After the first year, a complex formula for computing the Bank's lending rate applies, but the rate cannot be less than 5 percent per annum.

Borrowing Authority

Equity capital of the Bank consists of Class A stock, bearing a 2 percent dividend, purchased by the United States Government; Class B and C stock purchased by Bank borrowers, organizations eligible to become borrowers, organizations controlled by borrowers; and retained earnings. The maximum borrowing authority of the Bank is limited to 20 times its paid-in-capital and retained earnings. Total borrowing authority available to the Bank in 1991 was \$1.7 billion. Beginning in fiscal year 1992, with the implementation of Credit Reform, the Bank will have permanent, indefinite authority to meet its cash needs on all loans made prior to 1992.

Highlights of Operation

The Rural Telephone Bank made 36 loans totaling \$177,042,600 in fiscal year 1991. Since its inception, the Bank has made loans totaling \$2,777,490,243 to 603 borrowers.

The Bank's net income from October 1, 1990, to September 30, 1991, amounted to \$63,635,523. After making provision for a return of \$11,699,810 on Class A stock held by the government, a balance of \$51,935,713 was available for patronage refunds, dividends, and retained earnings. Assets of the Bank totaled \$1,838,173,714 as of September 30, 1991, and liabilities were \$772,823,023. The Bank has invested some of the proceeds from the sale of Class B and C stock in United States securities; interest on these investments amounted to \$57,071.

The 1993 Budget includes proposed legislation to establish a Rural Telephone Bank Trust Fund with the liquidating account transfer of the borrowers' total equity from Class B Stock purchases. Proceeds from new loan Class B Stock purchases and 50 percent of net margins realized beginning in 1993 will be added to this account. Funds accumulated will be used to begin redemption of Class A Stock in fiscal year 1996, as allowed by law.

Program Statistics *
(Dollars in thousands)

	<u>FY 1991 Actual</u>	<u>FY 1992 Estimate</u>	<u>FY 1993 Estimate</u>
Cumulative net loans.....	\$2,777,490	\$2,777,490	\$2,777,490
Cumulative loan funds, advanced.....	2,087,295	2,188,295	2,274,295
Unadvanced loan funds, end of year...	690,195	589,195	503,195
Cumulative principal repaid.....	402,363	436,268	474,522
Cumulative interest paid.....	1,327,562	1,456,133	1,588,354
Number of borrowers.....	603	603	603

* This account records all program statistics resulting from direct loans obligated prior to fiscal year 1992.

The 1993 budget continues the credit reform procedures for federal credit programs authorized by Title XIII of the Omnibus Budget Reconciliation Act of 1990. Loan levels and subsidies will be included in the appropriation language request for FY 1993. Administrative expenses will be obtained from a 2 percent loan origination fee which will be deposited directly into the Salaries and Expenses Account. Budget authority for the subsidy represents the present value of estimated cashflows over the lifetime of the loan. Outlays represent the portion of the subsidy related to the loan amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in loan program accounts. All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a financing account and are considered off-budget for purposes of estimating the deficit. Budget authority and outlays for existing portfolios of loans are reflected in the budget in liquidating accounts and are calculated as before, to represent disbursements and borrower repayments.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$237,955,000 in loans (\$177,045,000 available in 1992).

Need for change. A program increase of \$237,955,000 is proposed to establish a loan level that will meet the financing needs of all telephone borrowers. This shift will enable the Rural Telephone Bank to provide all telephone funding and reduce the subsidy costs associated with direct telephone loans while also providing borrowers with an interest rate below market. Most telephone borrowers are financially able to qualify for loans from the Rural Telephone Bank.

Nature of change. The level of direct Rural Telephone Bank loans will be increased to reflect the financial needs of the borrowers and provide all necessary funding from the Rural Telephone Bank.

- (2) An increase of \$60,000,000 in special need interest rate loans (zero available in 1992).

Need for change. This increase establishes a program for telephone borrowers who would not qualify for a Bank loan under existing criteria. This program along with RTB direct loans will meet the financial needs of all telephone borrowers.

Nature of change. The Governor of the Rural Telephone Bank will provide loans to qualified borrowers at a special interest rate that is lower than the rate charged other RTB borrowers. The rate will be available at the Governor's discretion to individual borrowers and could be as low as the statutory floor of 5 percent.

- (3) A decrease of \$3,546,000 in subsidy costs for a direct loan program of \$415,000,000.

Need for change. Implementation of credit reform eliminated use of cash on hand accumulated from prior year loans to reduce the borrowers' rate. This change causes a higher borrower interest rate and, therefore, a decrease in federal subsidy.

Nature of change. Implementation of credit reform results in an increased interest rate for the RTB borrower and a lower subsidy paid by the government.

- (4) An increase of \$10,026,000 in subsidy costs for the special need interest rate loan program of \$60,000,000.

Need for change. This is a new program in fiscal year 1993. The Federal Credit Reform Act of 1990 requires that the cost of credit programs be placed on a budgetary basis equivalent to other Federal spending. The estimated long-term cost of a direct loan is to be calculated on a net present value basis.

- (5) An increase of \$868,000 for administrative expenses. This increase is justified as part of the total REA in Salaries and Expenses, p.12-34 of the Notes.

RURAL TELEPHONE BANK

Budget Authority, Obligations and Balances

(Dollars in thousands)

Budget Authority:	FY 1991 <u>Actual</u>
Borrowing Authority (P&F Schedule).....	\$53,968
Other Funds Available.....	190,274
Less: Return on Class A stock.....	<u>-11,699</u>
Total budgetary resources.....	<u>232,543</u>
Obligations:	
Loans approved.....	177,043
Expenses and C stock dividends.....	<u>55,500</u>
Total.....	<u>232,543</u>

Limitation on Authority to Borrow
(Dollars in thousands)

	FY 1991 <u>Actual</u>
A Stock.....	\$28,710
B Stock.....	44,977
C Stock.....	688
Retained earnings.....	<u>8,679</u>
Total.....	83,054
Statutory borrowing authority rate.....	<u>x20</u>
Maximum authority to borrow during year	<u>1,661,080</u>

Note: (1) Computed in accordance with Section 407 of the Rural Electrification Act of 1936, as amended.

(2) As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank, borrowing authority, obligations and balances resulting from direct loans obligated prior to fiscal year 1992. Beginning in fiscal year 1992, with the implementation of Credit Reform, this account will have permanent, indefinite authority to meet its cash needs.

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

Number and Amount of Rural Telephone Bank
Loans by State, Fiscal Year 1991

	<u>No.</u>	<u>Amount</u>
UNITED STATES	36	\$177,042,600
Alabama	1	2,342,550
Alaska	1	24,067,050
Arkansas	2	45,755,850
California	1	8,607,900
Georgia	1	562,800
Illinois	1	428,400
Indiana	2	1,487,850
Iowa	2	8,247,750
Kentucky	1	5,998,650
Maine	1	1,772,400
Michigan	1	6,428,100
Minnesota	3	9,339,750
Mississippi	1	4,036,200
Missouri	1	11,263,350
New Hampshire	1	631,050
New York	2	1,542,450
North Carolina	1	4,987,500
Ohio	1	1,078,350
South Carolina	1	6,366,150
Tennessee	1	6,317,850
Texas	2	7,930,650
Vermont	2	3,045,000
Virginia	1	6,617,100
Washington	1	1,442,700
Wisconsin	4	6,745,200

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Rural Telephone Bank

Purchase of Rural Telephone Bank Stock

Appropriation Act, 1992.....	--
Budget Estimate, 1993.....	--
Change.....	--

Project Statement
(On basis of appropriation)

Project	: 1991 : : Actual :	: 1992 : : Estimate :	: Change :	: 1993 : : Estimate :
Purchase of Capital	:	:	:	:
Stock	:	:	:	:
G/R/H Reduction	:	:	:	:
Total Appropriation	:	:	:	:

EXPLANATION OF PROGRAM

The Rural Electrification Act of 1936, as amended, authorizes appropriations for the purchase of Class A stock in the Rural Telephone Bank by the U.S. Government. This authorization expired in 1991 and, therefore, an appropriation was not received in fiscal year 1992. The Federal Government has provided \$592.1 million in capital to the Bank. With the implementation of Credit Reform, the Bank will not require further capitalization.

RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

SALARIES AND EXPENSES

- For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901- 950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 - 1995), and for which commitments were made prior to fiscal year [1992] 1993, including not to exceed \$7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$103,000 for employment under 5 U.S.C. 3109, [\$37,795,000 of which \$29,163,000] \$32,822,000, which shall be derived by transfer from the Rural Electrification and Telephone Loans Program Account and in addition, not to exceed \$9,500,000 from a loan origination fee on Rural Telephone Bank loans, to be credited to this account [\$8,632,000 shall be derived by transfer from the Rural Telephone Bank Program Account]: Provided, That none of the funds in this Act may be used to authorize the transfer of additional funds to this account from the Rural Telephone Bank: [Provided further, That not less than \$500,000 nor more than \$1,000,000 of this appropriation shall be expended to provide community and economic development technical assistance and programs to rural electric and telephone systems by Rural Electrification Administration employees who are located within REA and whose full-time responsibilities are to administer such community and economic development programs: Provided further, That none of the salaries and expenses provided to the Rural Electrification Administration, and none of the responsibilities assigned by law to the Administrator of the Rural Electrification Administration may be reassigned or transferred to any other agency or office.]

[OFFICE OF THE ADMINISTRATOR]

- 3 [For necessary salaries and expenses of the Office of the Administrator of the Rural Electrification Administration, \$243,000: Provided, That no other funds in this Act shall be available for this Office.]

The first change updates the fiscal year designation.

The second change deletes the language mandating technical assistance for community and economic development.

The third change deletes the language providing a separate appropriation for the Office of the Administrator since funds for this office are requested in the Salaries and Expenses appropriation.

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Salaries and Expenses

Appropriation Act, 1992:	
Salaries and Expenses transfers from Program Account.....	\$37,795,000
Office of the Administrator appropriation.....	243,000
Total, 1992.....	<u>38,038,000</u>
Budget Estimate, 1993.....	<u>42,322,000</u>
Increase in available funds.....	<u>+4,284,000</u>
Source of Funds 1993:	
Transfer from Rural Electric and Telephone Loan Program Account	32,822,000
Rural Telephone Bank Loan Origination fees.....	<u>9,500,000</u>
Total, FY 1993.....	<u>42,322,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation transfer and loan origination fees)

Item of Change	Items of Increase or Decrease				
	1992 Appropriation Transfer	Other Personnel and Benefits	Record Mgmt System	Field Equip	ADP
Salaries and Expenses	\$38,038,000	+744,000	+350,000	+90,000	+873,000
					+1,467,000
					<u>\$42,322,000</u>

RURAL ELECTRIFICATION ADMINISTRATION

Salaries and ExpensesPROJECT STATEMENT
(on basis of available funds)

Project	1991 Actual		1992 Estimated		Increase or		1993 Estimated	
	Amount	Staff: :Years:	Amount	Staff: :Years:	Decrease	Amount	Staff: :Years:	
Administration of Loan Programs:								
Rural Electric and Telephone Loan Program Account a/.....	\$27,476,255	393	\$29,406,000	402	+\$3,416,000:	\$32,822,000:	405	
Rural Telephone Bank Program Account and Loan origination Fee b/.....	7,542,553	118	8,632,000	118	+868,000:	9,500,000:	121	
Office of the Administrator c/..	(207,167)	(3)	(243,000)	(3)	--:	--:	--	
Total administration of loan programs	35,018,808	511	38,038,000	520	+4,284,000:	42,322,000:	526	
G-R-H Reduction	430	--	--	--	--	--	--	
Unobligated Balance:								
Salaries and Expenses.....	597,341	--	--	--	--	--	--	
Office of Administrator.....	21,833	--	--	--	--	--	--	
S&E obligations paid directly from the fund/RTB.....	-2,583,412	--	--	--	--	--	--	
S&E obligations paid from fees collected on RTB loans.....	--	--	--	--	-9,500,000:	-9,500,000:	--	
Total, Appropriation	33,055,000	511	38,038,000	520	-5,216,000:	32,822,000:	526	

a/ Includes \$2,501,000 in 1991 paid directly from RETRF.

b/ Includes \$82,412 in 1991 paid directly from RTB.

c/ Office of Administrator included in the Program Accounts.

EXPLANATION OF PROGRAM

The appropriation "Salaries and Expenses" of the Rural Electrification Administration funds the activities authorized by the Rural Electrification Act, as amended. Beginning in FY 1992, Salaries and Expenses will be appropriated to the program accounts of the RETRF and the RTB, as required by the Federal Credit Reform Act of 1990. The Act authorizes REA to provide to qualified electric and telephone organizations capital through insured loans and guarantees of loans by other lenders for electric and telephone service in rural areas comparable in reliability and quality to the service provided the rest of the nation. REA is also authorized by section 313 to make zero-interest loans and grants to REA borrowers for the purpose of promoting rural economic development and job creation projects. In addition to administering programs for making loans, assurance of feasibility and adequate security and collections on loans, the REA staff furnishes management and technical assistance to borrowers for the purpose of protecting the Government's loan security, to assure that construction and operation of borrowers' systems conform to approved standards, and that the electric and telephone systems continue providing reliable service on an area coverage basis.

Applications, Loans, and Requisitions for Advances

(Dollars in thousands)

	<u>Actual</u>		<u>Estimated</u>		<u>Estimated</u>	
	<u>Fiscal Year 1991</u>		<u>Fiscal Year 1992</u>		<u>Fiscal Year 1993</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
<u>Electric Program</u>						
Insured loans approved.	127	485,453	163	622,050	137	523,740
Guaranteed Loans,						
Private Sector.....	--	--	--	--	35	176,266
Direct loans, FFB/						
Treasury rate.....	21	850,509	50	813,450	50	813,450
Advances processed						
(Insured Loans).....	775	591,619	765	584,410	753	574,584
<u>Telephone Program</u>						
Insured loans approved.	43	186,429	55	239,250	--	-- a/
Guaranteed Loans,						
Private Sector.....	--	--	--	--	--	-- a/
RTB loans approved.....	36	177,043	36	177,045	97	475,000
Direct loans, FFB.....	2	73,346	6	119,625	--	-- a/
Advances processed -						
REA borrowers.....	467	197,593	501	211,963	474	200,458
RTB borrowers.....	157	163,143	106	109,851	138	143,385

a/ All telephone loans will be shifted to the Rural Telephone Bank.

JUSTIFICATION OF INCREASES AND DECREASES

An increase of \$4,284,000 for administration of rural electrification, rural telephone, community antenna television and rural economic development loan programs (\$38,038,000 available in 1992), consisting of:

- (a) An increase of \$760,000 for pay costs.

Need for change. This increase will provide for the Fiscal Year 1992 and a partial Fiscal Year 1993 pay adjustments.

Nature of change. An increase of \$337,000 is for annualization of the Fiscal Year 1992 pay raise and \$423,000 for a portion of the Fiscal Year 1993 pay raise.

- (b) An increase of \$744,000 for expansion of staff in the Rural Economic Development Program, rising costs of employee health/life insurance and workers' compensation, and additional benefits expenses for continuing growth in the FERS population.

Need for change. Personnel costs will increase with the addition of staff for the Rural Economic Development Program. New hires covered under the FERS program will also increase costs to the Agency.

Nature of change. Personnel costs are increased to reflect additional employees and increased expenses in benefits.

- (c) An increase of \$350,000 for a Records Management System contract to scan and store agency records.

Need for change. The Records Management System will improve storage of Agency records by decreasing space requirements and storage costs, and allow for easier access by Agency personnel.

Nature of change. This contract will initiate improved record storage through electronic imaging processes.

- (d) An increase of \$90,000 for facsimile machines for field employees.

Need for change. This increase will enhance communications capabilities of the field employees with Headquarters staff. REA borrowers will be able to provide documents and other paperwork to field personnel for review prior to office visits. This will allow field staff to more efficiently prepare for office visits.

Nature of change. Equipment will be purchased and distributed to field employees during Fiscal Year 1993.

- (e) An ADP increase of \$873,000 to support the Office Automation Plan for the Agency. Computers and software for new employees will cost \$45,000; replacement and upgrading of older equipment is required for \$130,000; software, including file server, system engineering, office automation, word processing and spreadsheet programs for \$208,000; ADP supplies costing \$10,000; LAN drops and increased use of electronic bulletin boards, \$25,000; Voice Mail, \$70,000; Electronic Imaging equipment for the records management system, \$60,000; Loan Management System (LMS), a revision of the accounting system which will include accounting required by Credit Reform, will cost \$250,000; and development of data bases for LMS will be an additional \$75,000.

Need for change. Continuation of Agency office automation efforts necessitates additional purchases of computer equipment and software. Compliance with Credit Reform mandates requires accurate accounting of information related to all loan and grant program activity.

Nature of change. New equipment, software and Loan Management Systems will be implemented to meet the requirements and needs of the Agency in adequately and efficiently performing all functions.

- (f) An increase of \$1,467,000 covering miscellaneous services and essential operating costs.

Need for change. Miscellaneous services and obligations require the Agency to cover associated costs.

Nature of change. Items of increase include travel for Rural Development Program employees, monthly service charges for field telephones (installed in FY 1992), printing the codification of regulations, and other miscellaneous services, agreements and procurements.

RURAL ELECTRIFICATION ADMINISTRATION

The 1993 Budget Estimates include proposed language for this item as follows (deleted matter enclosed in brackets):

Distance Learning and Medical Link Grants:

[For necessary expenses to carry into effect the programs authorized in sections 2331-2335 of Public Law 101-624, \$5,000,000, to remain available until expended.]

This change eliminates the appropriation language for this program. No funds are requested for FY 1993.

Distance Learning and Medical Link Grants

Appropriation Act, 1992	\$5,000,000
Budget Estimate, 1993	--
Decrease in Appropriation	<u>-5,000,000</u>

PROJECT STATEMENT
(On basis of appropriation)

Project	: 1991 : Actual	: 1992 : Estimated	: Decrease	: 1993 : Estimated
Distance Learning and Medical Link Grants, appropriation...	: \$--	: \$5,000,000	: \$-5,000,000	: \$--

EXPLANATION OF PROGRAM

This new grant program provides access to advanced telecommunications services and computer networks, and to improve rural opportunities. Program guidelines will allow priority for projects which include jointly shared facilities. No program is proposed for FY 1993.

JUSTIFICATION OF DECREASE

A decrease of \$5,000,000 for Distance Learning and Medical Link Grants (\$5,000,000 available in FY 1992).

Need for Change. Grants funded by this program may be funded under REA loan program authorities.

Nature of Change. No funds are requested for FY 1993.

FEDERAL CROP INSURANCE CORPORATION

Purpose Statement

The Federal Crop Insurance Corporation is a wholly-owned Government Corporation created February 16, 1938 (7 U.S.C. 1501). The program was amended by P. L. 96-365, approved September 26, 1980, to provide for nationwide expansion of a comprehensive crop insurance program. The purpose of the Corporation is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance.

The Federal Crop Insurance Corporation is charged with providing an actuarially sound, cost-sharing insurance program for agricultural producers to protect against production losses due to unavoidable causes. The crop insurance program constitutes a joint effort of the Government and the private insurance industry, both reinsured companies and sales and service contractors.

Major Activities

The Federal Crop Insurance Program comprises the following major activities:

(1) Research and Development consists of the research and development by the Corporation of crop insurance programs and the establishment and maintenance of rates and coverages for crops in each county. This activity also includes the evaluation of current crop programs and policies. The Research Division activities include development of strategies for increasing participation in the crop insurance program. (2) Reinsured Companies consists of private insurance companies reinsured by FCIC that market and fully service (including loss adjustment and claims processing) policies of crop insurance and bear some risk on such policies. (3) Agency Sales and Service Contracts and Loss Adjustment consists of contracting with private insurance entities that sell and service FCIC crop insurance policies, but are not at risk. (These entities are commonly referred to as Sales and Service Contractors). This activity also includes contracting with independent claims adjusters who perform loss adjustment services for insureds holding FCIC policies sold by Sales and Service Contractors. This activity also includes all FCIC efforts directed toward development of claims adjustment procedures and quality control on the independent claims adjusters. (4) Insurance Services consists of the development and administration of reinsurance agreements and agency sales and service contracts. This activity includes all phases of program administration, including directing Regional Service Offices and Direct Processing Centers throughout the country which provide services for all program participants. (5) Program Management and Administrative Support, includes the Board of Directors, the Manager's Office, staff offices reporting directly to the Manager's Office, as well as personnel management, finance and accounting, support services, information resources management, and internal controls. Additionally, the compliance function is included in this program, providing oversight and quality control of reinsured and FCIC program service operations.

General Administration

The various crop insurance programs are planned, developed, and monitored by the FCIC headquarters office located in Washington, D.C., and its national operations office located in Kansas City, Missouri. The program is administered in the field through 10 Regional Service Offices and 4 Direct Processing Centers. Selling and servicing at the county level is performed primarily by agents, operating for agents of reinsured companies and Federal contractors (under Agency Sales and Service Contracts). The adjustment of losses is performed by reinsured companies for their policies and by independent loss adjusters under contract with FCIC for FCIC policies sold under Agency Sales and Service Contracts. ASCS provides some sales and service support on a reimbursable basis for the Corporation in areas where agents are not readily available. FCIC also maintains, in each ASCS county office, an ASCS employee trained in sales and one trained in loss adjustment of FCIC crop insurance policies.

The Agency Sales and Service Contractors process and electronically transmit to the Department's Kansas City mainframe computer, all data from Federally-insured policies except claims. The Kansas City, Missouri, office assists in the processing of all insurance documents (except those of the reinsured companies), records detailed accounting and statistical data, and prepares the required accounting, statistical, and management reports for business from all sources. This function is essentially automated.

The Reinsured Companies process the insurance documents, bill and collect premium, and pay losses according to stipulations within the insurance policy and the reinsurance agreement with FCIC. The companies electronically transmit to the Department's Kansas City mainframe computer, at least monthly, all data required under the reinsurance agreement in order to receive their contracted reimbursements. The Actuarial and Comptroller's offices in Kansas City, Missouri, assist in the processing of all insurance data, record detailed accounting and statistical data, and prepares the required accounting, statistical, and management reports for business from all sources. This function is essentially automated.

As of September 30, 1991, there were 887 total employees with 715 permanent full-time and 172 other employees. Of the total employees, 121 permanent full-time and 4 other were located in the Washington, D.C., offices.

A summary of changes in capital for fiscal year 1991, and estimates for fiscal years 1992 and 1993, follows:

	F.Y. 1991 Actual	F.Y. 1992 Estimated	F.Y. 1993 Estimated
Net capital at beginning of year...	\$389,016,731	\$483,944,438	\$320,749,403
Additions to Capital:			
Appropriation (Premium Subsidy)...	219,997,000	221,500,000	227,026,000
CCC Transfer.....	150,000,000	180,000,000	266,549,000
Appropriation (A&O Exp. Reimb.)..	117,368,000	39,000,000	58,768,000
Subtotal.....	<u>876,381,731</u>	<u>924,444,438</u>	<u>873,092,403</u>
Income:			
Producer Premium:			
Government.....	62,016,750	66,013,425	66,450,000
Reinsurance.....	506,907,000	593,401,216	598,050,000
ASCS.....	0	0	16,576,500
Total Producer Premium.....	<u>568,923,750</u>	<u>659,414,641</u>	<u>681,076,500</u>
Interest Income.....	4,165,000	4,433,414	4,462,734
Other Income.....	313,000	333,171	335,375
TOTAL INCOME.....	<u>573,401,750</u>	<u>664,181,226</u>	<u>685,874,609</u>
Expenses:			
Government Indemnities.....	97,355,000	116,285,342	110,750,000
Reinsurance Indemnities.....	810,367,000	1,030,042,628	996,750,000
ASCS Indemnities.....	0	0	28,527,000
Total Indemnities.....	<u>907,722,000</u>	<u>1,146,327,970</u>	<u>1,136,027,000</u>
Other Expenses (Bad debts, Interest Underwriting Gains, etc.)....	58,117,043	62,779,911	65,737,867
A&O Expenses Paid by the Fund....	0	58,768,380	58,365,250
TOTAL EXPENSES.....	<u>965,839,043</u>	<u>1,267,876,262</u>	<u>1,260,130,117</u>
Net Income or Loss (-).....	-392,437,293	-603,695,035	-574,255,508
NET CAPITAL, END OF YEAR.....	<u>\$483,944,438</u>	<u>\$320,749,403</u>	<u>\$298,836,895</u>
Analysis of Capital:			
Capital Stock.....	\$500,000,000	\$500,000,000	\$500,000,000
Treasury Borrowing.....	113,000,000	113,000,000	113,000,000
CCC Transfers.....	2,750,000,000	2,930,000,000	3,196,549,000
Paid-in-Capital:			
Paid-in surplus.....	39,978,470	39,978,470	39,978,470
Appropriation (premium subsidy)...	1,332,678,000	1,554,178,000	1,781,204,000
Appropriation (Reimbursement of A&O expenses).....	198,771,000	237,771,000	296,539,000
Cum. surplus(+)/deficit(-).....	<u>-4,450,483,032</u>	<u>-5,054,178,067</u>	<u>-5,628,433,575</u>
NET CAPITAL, END OF YEAR.....	<u>\$483,944,438</u>	<u>\$320,749,403</u>	<u>\$298,836,895</u>

FEDERAL CROP INSURANCE CORPORATION

Available Funds and Staff-Years
1991 Actual and Estimated 1992 and 1993

	1991 Actual		:	1992 Estimated		:	1993 Estimated	
	:Staff-:			:Staff-:			:Staff-:	
	Amount	Years		Amount	Years		Amount	Years
ADMINISTRATIVE AND OPERATING EXPENSES:	:	:	:	:	:	:	:	:
A&O Appropriation.....	\$391,898,701:	846	:	\$322,870,000:	865	:	\$335,377,000:	865
FCIC FUND:	:	:	:	:	:	:	:	:
Premium Subsidy.....	219,997,000:	---	:	221,500,000:	---	:	227,026,000:	---
Restoration of Prior Year A&O Expenses (Paid by Fund).....	117,368,000:	---	:	39,000,000:	---	:	58,768,000:	---
TOTAL, FCIC FUND.....	337,365,000:	---	:	260,500,000:	---	:	285,794,000:	---
TOTAL FCIC	:	:	:	:	:	:	:	:
APPROPRIATION.....	729,263,701:	846	:	583,370,000:	865	:	621,171,000:	865
CCC Transfers.....	150,000,000:	---	:	180,000,000:	---	:	266,549,000:	---
TOTAL, FCIC	:	:	:	:	:	:	:	:
AVAILABLE FUNDS.....	\$879,263,701:	846	:	\$763,370,000:	865	:	\$887,720,000:	865

Full-Time Equivalent Staff-Years:	1991 Actual	1992 Estimated	1993 Estimated
Ceiling.....	846	865	865
Non-ceiling.....	10	10	10
Total.....	<u>856</u>	<u>875</u>	<u>875</u>

FEDERAL CROP INSURANCE CORPORATION
Permanent Full-Time Positions by Grade and Staff - Year Summary
1991 and Estimated 1992 and 1993

GRADE	1991			1992			1993		
	HEADQUARTERS	FIELD	TOTAL	HEADQUARTERS	FIELD	TOTAL	HEADQUARTERS	FIELD	TOTAL
ES-6	1	0	1	1	0	1	1	0	1
ES-5	0	1	1	0	1	1	0	1	1
ES-2	0	0	0	1	0	1	5	0	5
ES-1	1	0	1	4	0	4	0	0	0
GS/GM-16	0	0	0	0	2	2	0	2	2
GS/GM-15	4	6	10	6	6	12	6	8	12
GS/GM-14	3	12	15	5	22	27	5	22	27
GS/GM-13	44	47	91	46	57	103	46	57	103
GS-12	79	152	231	81	152	233	81	152	233
GS-11	10	184	174	10	164	174	10	182	172
GS-10	1	0	1	1	0	1	1	0	1
GS-9	19	19	36	19	19	38	19	16	35
GS-8	12	2	14	12	2	14	12	2	14
GS-7	33	14	47	33	14	47	33	16	49
GS-6	12	7	19	12	3	15	12	7	19
GS-5	20	57	77	20	34	54	19	34	53
GS-4	7	25	32	7	18	25	7	18	25
GS-3	7	1	8	7	1	8	7	1	8
GS-2	0	0	0	0	0	0	0	0	0
Total Perm. Pos. a/	253	507	760	265	495	760	264	498	780
Total Staff - Years:									
Celling.....	303	543	848	315	550	865	315	550	865
Non-Celling.....	2	6	10	2	6	10	2	8	10
TOTAL	305	551	856	317	558	875	317	558	875

HEADQUARTERS: Includes Personnel, Finance, Support Services, Claims, IRMB, and Program Management Support Branch, functions located in Kansas City, MO.

FIELD: Includes Field Service Offices, Field Underwriting Offices, Compliance Field Offices, and Kansas City Actuarial and Underwriting Offices.

a/ The Federal Crop Insurance Act of 1980, as amended, restricts the Corporation from employing more than 780 permanent full-time employees.

FEDERAL CROP INSURANCE CORPORATION
Classification By Objects
1991 and Estimated 1992 and 1993

ADMINISTRATIVE AND OPERATING EXPENSES:	1991	1992	1993
Personnel Compensation:			
Headquarters a/.....	5,893,000	6,114,000	6,400,358
Field.....	23,671,557	26,064,039	26,301,075
11 Total Personnel Compensation...	29,564,557	32,178,039	32,701,433
12 Personnel Benefits.....	5,891,167	6,755,961	6,865,851
13 Benefits for Former Personnel..	284,024	167,000	169,716
Total Personnel Compensation and Benefits.....	35,739,748	39,101,000	39,737,000
Other Object Classes:			
14 Payment from Imprest Fund.....	0	3,000	3,000
21 Travel.....	2,067,479	3,108,965	3,108,965
22 Transportation of Things.....	296,865	767,163	767,163
23 Communications, Utilities, and Other Rent.....	3,634,033	4,518,992	5,534,992
24 Printing and Reproduction.....	509,466	829,738	829,738
25 Other Services.....	7,858,628	8,421,985	8,422,985
25 Other Contracts b/.....	3,933,302	11,318,000	12,630,000
25 Extension Services.....	0	250,000	250,000
25 ASCS Agreement.....	6,153,308	5,215,000	6,206,000
25 Reinsurance Admin Expenses.....	248,564,590	239,220,000	231,246,000
25 ASCS Sales Overhead.....	0	0	6,425,000
25 Sales & Service Contract Exp...	17,350,000	4,430,000	4,430,000
25 Loss Adjustment Contracting....	4,027,000	0	0
26 Supplies and Materials.....	598,873	822,515	4,222,515
31 Equipment.....	871,100	4,859,000	11,559,000
32 Land and Structures.....	0	0	0
42 Insurance Claims/Indemnities...	1,415	3,642	3,642
43 Interest and Dividends.....	2,655	1,000	1,000
Total, Other Object Classes....	295,868,714	283,769,000	295,640,000
TOTAL, DIRECT A&O OBLIGATIONS.....	<u>\$331,608,462</u>	<u>\$322,870,000</u>	<u>\$335,377,000</u>
FCIC FUND:			
25 A&O Expenses Paid from Fund....	0	58,768,380	58,365,250
42 Indemnities:			
Government.....	97,355,000	116,285,342	110,750,000
Reinsurance.....	810,367,000	1,030,042,628	996,750,000
ASCS.....	0	0	28,527,000
Total Indemnities.....	907,722,000	1,146,327,970	1,136,027,000
92 Undistributed.....	58,117,043	62,779,912	65,737,866
TOTAL DIRECT OBLIGATIONS, FCIC FUND..	<u>\$965,839,043</u>	<u>\$1,267,876,262</u>	<u>\$1,260,130,116</u>
TOTAL DIRECT OBLIGATIONS, FCIC.....	<u>\$1,297,477,504</u>	<u>\$1,590,746,262</u>	<u>\$1,595,507,116</u>

Position Data:

Average Salary, SES positions	\$99,967	\$104,965	\$110,213
Average Salary, GS/GM positions	\$31,766	\$33,100	\$34,656
Average Grade, GS/GM positions	9.45	10.12	10.18

a/ Headquarters includes all Washington, D.C. employees, and Kansas City, MO employees in Support Services, Personnel, Budget, and Finance.

b/ Includes ADP; Internal Management Studies; Statistical Data-NASS; Advertising; National Finance Center; and FTS.

FEDERAL CROP INSURANCE CORPORATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Administrative and Operating Expenses:

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), [~~\$322,870,000~~] \$335,377,000:
Provided, that not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

FEDERAL CROP INSURANCE CORPORATION

Administrative and Operating Expenses

Appropriation Act, 1992.....	\$322,870,000
Budget Estimate, 1993.....	335,377,000
Increase in Appropriation.....	<u>12,507,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

ITEM OF CHANGE:	1992 Estimated	Pay Cost	Program Changes	1993 Estimated
1. Research and Development	\$10,036,896	+\$76,320	0	\$10,113,216
2. Reinsured Companies.....	239,220,000	0	-7,974,000	231,246,000
3. Agency Sales & Service Contracts and Loss Adjustment.....	4,430,000	0	+6,425,000	10,855,000
4. Insurance Services.....	34,579,486	+343,440	+991,000	35,913,926
5. Program Management and Administrative Supp...	34,603,618	+216,240	+12,429,000	47,248,858
Total Appropriation.....	<u>\$322,870,000^{a/}</u>	<u>+\$636,000</u>	<u>\$11,871,000</u>	<u>\$335,377,000^{b/}</u>

a/ Does not include \$58,768,380 of administrative and operating expenses paid out of the FCIC Fund.

b/ Does not include \$58,365,250 of administrative and operating expenses paid out of the FCIC Fund.

PROJECT STATEMENT
Administrative and Operating Expenses
(on basis of appropriation)

	1991 Actual		1992 (Est.)		Increase(+):	1993 (Est.)	
	Amount	SY	Amount	SY	Decrease(-):	Amount	SY
1. Research and Development...	\$9,439,801	99	\$10,036,896	105	+\$76,320	\$10,113,216	105
2. Reinsured Companies.....	248,267,000	0	239,220,000	0	-7,974,000	231,246,000	0
3. Agency Sales and Service Contracts and Loss Adjust...	21,376,750	0	4,430,000	0	+6,425,000	10,855,000	0
4. Insurance Services.....	30,301,688	464	34,579,486	472	+1,334,440	35,913,926	472
5. Program Management & Admin. Support.....	21,925,633	283	34,603,618	288	+12,645,240	47,248,858	288
6. Commission Exp.	297,590	0	0	0	0	0	0
Unobligated Balance lapsing..	60,290,239	--	0	0			
Total, Available Or Estimate....	\$391,898,701	846	\$322,870,000	865	+12,507,000	\$335,377,000	865
G-H-R Reduction...	+4,236	--					
Total Appropriation...	\$391,902,937	846					

PROJECT STATEMENT
Administrative and Operating Expenses
(on basis of available funds)

	1991 Actual		1992 (Est.)		Increase(+):	1993 (Est.)	
	Amount	SY	Amount	SY	Decrease(-):	Amount	SY
1. Research and Development...	\$9,439,801	99	\$10,036,896	105	+\$76,320	\$10,113,216	105
2. Reinsured Companies.....	248,267,000	0	279,090,000	0	-7,974,000	271,116,000	0
3. Agency Sales and Service Contracts and Loss Adjust...	21,376,750	0	23,328,380	0	+6,021,870	29,350,250	0
4. Insurance Services.....	30,301,688	464	34,579,486	472	+1,334,440	35,913,926	472
5. Program Management & Administrative Supp...	21,925,633	283	34,603,618	288	+12,645,240	47,248,858	288
6. Commission Exp.	297,590	0	0	0	0	0	0
Unobligated Balance lapsing..	60,290,239	--	0	--	0	0	--
Total, Available Or Estimate....	391,898,701	846	381,638,380	865	+12,103,870	393,742,250	865
Paid from the Fund:	--	--	-58,768,380	--	+403,130	-58,365,250	--
G-H-R Reduction...	+4,236	--	0	--	0	0	--
Total Appropriation...	\$391,902,937	846	\$322,870,000	865	+12,507,000	\$335,377,000	865

EXPLANATION OF PROGRAM

The appropriation, "Administrative and Operating Expenses," of the Federal Crop Insurance Corporation, provides funding for support of program activities authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1501-1520).

The fiscal year 1993 appropriation request for administrative and operating expenses will enable the Corporation to fund \$911 million in premium sales. In accordance with provisions of the Food, Agriculture, Conservation and Trade Act of 1990, and directives contained in the 1991 Appropriation Bill, FCIC continues to review its program provisions and premium rates. Premium rates will be adjusted as indicated by analysis of experience to achieve actuarial sufficiency. It is anticipated that there will be an overall increase in premium rates, although rates in selected areas and for selected crops will be reduced slightly due to favorable experience. The effect of such rate increases on producer participation is not known. The budget estimates reflect a modest reduction in insured acres due to the increase in premium rates. Climatic conditions at the sales closing date and the time elapsed since the most recent disaster in the area are more important factors affecting sales in any crop year. The major portion of administrative and operating expenses funds the program's delivery systems which are authorized by the Federal Crop Insurance Act under Section 507(c), and are listed below.

(1) Reinsured companies provide insurance marketing, underwriting, servicing, training, quality control, statistical processing and reporting, and loss adjustment functions. As risk-bearers, the companies also share, on a limited basis, with FCIC in both profits and losses. It is estimated that reinsured companies will handle insurance sales amounting to about 87.46 percent of the premium during crop year 1993.

(2) Agency Sales and Service Contracts. Under this type of contract, private insurance companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and services. The contractors do not carry any risk on the policies sold. They are compensated on a commission basis. All claims adjustments are conducted by independent claims adjustment contractors with FCIC. It is estimated that for crop year 1993 about 9.72 percent of the premium will be handled under this delivery system.

(3) Existing ASCS Offices will provide FCIC information and support, collect data and assist FCIC in establishing farm yields. Upon request from FCIC, they will sell and service all-risk crop insurance in existing county offices where an adequate private sales and service force is not available. It is estimated that for crop year 1993, about 2.82 percent of the premium will be handled under this delivery system.

The activities carried out by the Corporation follow:

Research and Development - This activity covers the underwriting function that determines and establishes insurance coverages and premium rates, by crop, for different farming practices (summerfallow, continuous cropping, irrigation, etc.) in each county. Also in each county, insurance coverages and premium rates are broken down by yield groups to reflect variation in productivity and in risk of loss. Crop insurance coverages must be established and maintained for each crop in each county. New programs are researched and developed and existing ones are reviewed for improvement of contract provisions and proposals.

This activity also includes evaluation of current crop programs and policies. The research division activities include development of strategies for increasing participation in the crop insurance program.

Field underwriters review and recommend revision of local rates on a cyclic basis to refine the actuarial structure.

Reinsured Companies - Reinsured companies provide insurance marketing, underwriting, servicing, training, quality control, statistical processing reporting, and loss adjustment functions. The companies also share with FCIC in both profits and losses.

Agency Sales and Service Contracts and Loss Adjustment Contracts - Under Agency Sales and Service Contracts, companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and limited services for policies written by FCIC. For these policies, the loss adjustment work is performed by adjusters under individual contracts with FCIC.

Insurance Services - This activity includes all phases of program administration, including directing Regional Services Offices and Direct Processing Centers throughout the country, which provide services for all program participants.

Program Management and Administrative Support - This activity includes all management and administrative support functions in both Washington, D.C. and Kansas City, Missouri. Included are the following functions: administrative support functions of finance, budget, management services, personnel management for the Corporation, and reviews of the activities of the reinsured companies, sales and service contracts, and FCIC loss adjusters, to assure compliance and uniformity in loss adjustment procedures, training development, and quality control methods.

The following table summarizes the estimated level of crop insurance operations for crop years 1991, 1992, and 1993. These indicators form the basis of program delivery costs.

	Crop Year 1991	Crop Year 1992	Crop Year 1993
Premiums (\$000).....	\$750,000	\$886,000	\$911,700
Government Operations.....	82,500	88,600	88,600
Reinsurance Operations....	667,500	797,400	797,400
ASCS Operations.....	0	0	25,700
Premium Subsidy (included above)(\$000).....	187,500	221,500	227,925
Insurance in Force (\$000)...	11,566,040	13,012,660	12,752,491
Insured Acres (000).....	85,245	95,907	93,989
Counties.....	3,026	3,022	3,022
County Programs.....	21,085	21,085	21,085
Loss Ratio.....	1.20	1.30	1.25

OIG REPORT:

During Fiscal Year 1991, the Office of Inspector General (OIG) issued five (5) major program audits and (1) individual policy audit. The following audits were reported in OIG's Semi-Annual Report to Congress as unresolved within the appropriate timeframe:

05600-3-Te	RE: Insurance Contracts with large Indemnity Payments Adjusted by Crop Hail Management
05002-1-Te	RE: Administration of Claims and Appeals

GAO REPORTS:

During Fiscal Year 1991, the General Accounting Office (GAO) issued seven (7) final reports, two of which were addressed to the Department. Federal Crop Insurance Corporation has responded to all reports and is resolving any issued recommendations. The report titles are as follows:

AFMD-1-65	RE: Department of Agriculture's Financial Statements for Fiscal Year 1988.
PEMD-91-15	RE: Drug Abuse Prevention: Federal Efforts to Identity Exemplary Programs; Need Stronger Design. (Department)
PEMD-91-27	RE: Crop Insurance : FCIC's Internal Controls on Safflower Coverage Must Be Improved.
RCED-91-09	RE: USDA: Farm Agencies' Field Structure Needs Major Overhaul.
RCED-91-10	RE: Water Pollution: Greater EPA Leadership Needed to Reduce Non-point Source Pollution. (Department)
RCED-91-137	RE: Disaster Assistance: Problems in Administering Payments for Non-program Crops.
RCED-91-168	RE: USDA: Revitalizing Structure, Systems, and Strategies.

JUSTIFICATION OF INCREASES AND DECREASES

(1) Research and Development - An increase of \$76,320 (\$10,036,896 available in FY 1992) which consists of \$57,960 for the annualization of the 1992 pay raise and \$18,360 for a portion of the FY 1993 pay raise.

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1992 and 1993:

(on the basis of appropriation)

Function	1992		1993		Change 1993 over 1992	
	Staff:		Staff:		Staff:	
	Years:	Cost	Years:	Cost	Years:	Cost
1. Actuarial Analysis & Program Development...	105	\$10,036,896	105	\$10,116,987	0	+\$76,320

(2) Reinsurance Operations - A decrease of \$7,974,000 (\$239,220,000 available in FY 1992).

Need for Change: This decrease in reimbursement to the reinsured companies reflects a continuing trend for reinsured companies to bear more risk in the multi-peril insurance program.

Nature of Change: The 1993 rate of reimbursement to the companies will drop from the current 35 percent of premium to 34 percent of premium.

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1992 and 1993:

(on the basis of appropriation)

Function	1992		1993		Change 1993 over 1992	
	Staff:		Staff:		Staff:	
	Years:	Cost	Years:	Cost	Years:	Cost
1. Reinsurance Administrative Exp...	---	\$239,220,000	---	\$231,246,000	---	-\$7,974,000

a/ Does not include \$39,870,000 estimated to be paid out of FCIC Fund.

b/ Does not include \$39,870,000 estimated to be paid out of FCIC Fund.

(3) Agency Sales and Service Contractors and Loss Adjustment - An increase of \$6,425,000 (\$4,430,000 available in FY 1992).

Need for Change: To reimburse ASCS for expenses related to the sale and servicing of crop insurance including the cost of loss adjustment. The rate of reimbursement to ASCS will be 25 percent of premium, which will amount to \$6,425,000 in 1993.

Nature of Change: Approximately 2.82 percent of FCIC's net risk premium is expected to be handled by ASCS county offices in 1993.

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1992 and 1993:

(on the basis of appropriation)

Function	1992		1993		Change 1993 over 1992	
	Staff:		Staff:		Staff:	
	Years:	Cost	Years:	Cost	Years:	Cost
1. Agency Sales and Service Agreements a/	---	\$4,430,000	---	\$4,430,000	---	0
2. Loss Adjustment Contracts b/.....	---	0	---	0	---	0
3. ASCS Sales Overhead.....	---	0	---	6,425,000	---	+\$6,425,000
Total.....	---	\$4,430,000	---	\$10,855,000	---	+\$6,425,000

a/ Does not include \$14,176,000 of MMA Expenses to be paid out of Fund in FY 1992 or \$13,290,000 of MMA expenses to be paid out of Fund in FY 1993.

b/ Does not include \$4,722,380 of MMA LAC expenses to be paid out of Fund in FY 1992 or \$5,205,250 of MMA LAC expenses to be paid out of Fund in FY 1993.

(4) Insurance Services - An increase of \$1,334,440 (\$34,579,486 available in FY 1992) consisting of:

(a) \$343,440 for pay costs which consists of \$260,820 for the annualization of 1992 pay raise and \$82,620 for portion of the FY 1993 pay raise.

(b) An increase of \$991,000 for additional services to FCIC provided through the ASCS National Agreement.

Need for Change. To provide funding to ASCS for additional services for support of FCIC.

Nature of Change. An increase of \$991,000 for extra services provided by ASCS offices. The added services are related to ASCS insurance sales.

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1992 and 1993:

(on the basis of appropriation)

Function	1992		1993		Change 1993 over 1992	
	Staff:		Staff:		Staff:	
	Years:	Cost	Years:	Cost	Years:	Cost
1. Program Administration..	36	\$3,309,299	36	\$3,348,004	0	+\$38,705
2. Underwriting Services...	112	5,757,847	112	5,825,190	0	+67,343
3. Claims & Field Services:	324	20,297,340	324	20,534,732	0	+237,392
4. ASCS Agreement.....	0	5,215,000	0	6,206,000	0	+991,000
Total.....	472	\$34,579,486	472	\$35,913,926	0	\$1,334,440

(5) Program Management and Administrative Support - An increase of \$12,645,240 (\$34,603,618 available in FY 1992) consisting of:

(a) An net increase of \$11,413,000 to provide hardware, software, site preparation, training, and first-year maintenance for the modernization of FCIC's computer systems.

Need for Change. To provide funds for the nationwide replacement of obsolete office automation systems. Most of the present systems will be ten years old or more, by 1993. The modernization effort will provide FCIC with a standardized office automation environment in which information can be efficiently processed and shared.

Nature of Change:

1. An increase of \$9,700,000 for 35 minicomputer CPU's, servers, plus numerous PC/workstations, printers and modems, communication servers, etc.
2. An increase of \$3,400,000 for the new software to support the new hardware.
3. An increase of \$3,400,000 for site preparation and training needed in preparation for the new hardware.
4. An increase of \$500,000 for first-year maintenance of the new equipment (first-year maintenance is low because of factory warranties).
5. A decrease of \$5,587,000 because ADP upgrades done in 1992 will not be needed in 1993.

(b) An increase of \$1,016,000 for expenses related to the relocation of FCIC's headquarters, which occurred in 1992.

Need for Change. These funds will cover costs yet to be incurred due to the relocation of FCIC Headquarters, such as space renovations to accommodate FCIC's needs.

Nature of Change. An increase of \$1,016,000 to fund relocation costs.

(c) An increase of \$216,240 for pay costs which consists of \$164,220 for the annualization of the FY 1992 pay raise and \$52,020 for a portion FY 1993 pay raise.

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1992 and 1993:

(on the basis of appropriation)

Function	1992		1993		Change 1993 over 1992	
	Staff:		Staff:		Staff:	
	Years:	Cost	Years:	Cost	Years:	Cost
1. Headquarters.....	91	\$10,940,967	91	\$14,939,137	0	3,998,170
2. Kansas City.....	116	13,924,867	116	19,013,448	0	5,088,581
3. Compliance.....	81	9,737,784	81	13,296,273	0	3,558,489
Total.....	288	\$34,603,618	288	\$47,248,858	0	\$12,645,240

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
Geographic Breakdown of Obligations and Staff Years
1991 Actual and Estimated 1992 and 1993

	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Staff- Years	Amount	Staff- Years	Amount	Staff- Years
ALABAMA.....	5,521,743	0	5,481,743	0	5,892,874	0
ARIZONA.....	1,463,948	0	1,423,948	0	1,530,744	0
ARKANSAS.....	2,465,922	0	2,772,329	0	2,980,254	0
CALIFORNIA.....	7,642,214	27	9,587,318	35	8,106,367	31
COLORADO.....	2,366,605	0	2,846,605	0	3,060,100	0
CONNECTICUT.....	1,346,196	0	1,306,196	0	1,404,161	0
DELAWARE.....	1,434,424	0	1,394,424	0	1,499,006	0
DISTRICT OF COLUMBIA...	35,267,993	121	44,375,586	162	47,903,755	193
FLORIDA.....	11,305,801	0	11,165,801	0	12,003,236	0
GEORGIA.....	3,396,540	12	3,287,080	12	3,533,611	12
HAWAII.....	672,596	0	632,596	0	680,041	0
IDAHO.....	4,210,235	0	4,170,235	0	4,483,003	0
ILLINOIS.....	7,925,259	28	6,574,161	24	5,867,223	21
INDIANA.....	4,245,675	15	4,930,621	18	5,400,417	24
IOWA.....	6,226,989	22	4,930,621	18	5,300,417	18
KANSAS.....	9,340,484	32	6,026,314	22	5,278,288	19
KENTUCKY.....	5,622,650	0	5,582,650	0	6,001,349	0
LOUISIANA.....	5,522,748	0	5,482,748	0	5,893,954	0
MAINE.....	1,344,191	0	1,304,191	0	1,402,005	0
MARYLAND.....	2,440,389	0	2,650,389	0	2,849,168	0
MASSACHUSETTS.....	1,344,191	0	1,304,191	0	1,402,005	0
MICHIGAN.....	2,822,499	0	2,782,499	0	2,991,186	0
MINNESOTA.....	13,220,069	45	11,504,782	42	10,567,640	39
MISSISSIPPI.....	7,659,169	26	6,574,161	24	7,067,223	22
MISSOURI.....	87,460,896	309	81,903,088	299	84,472,821	295
MONTANA.....	9,057,439	21	7,395,931	27	7,950,626	24
NEBRASKA.....	3,962,630	13	2,191,387	8	1,177,870	4
NEW JERSEY.....	1,346,196	0	1,306,196	0	1,404,161	0
NEW MEXICO.....	1,478,923	0	1,438,923	0	1,546,842	0
NEW YORK.....	4,250,980	0	4,210,980	0	4,526,804	0
NORTH CAROLINA.....	11,887,889	40	11,778,705	43	12,662,108	39
NORTH DAKOTA.....	4,811,764	17	3,834,927	14	4,122,547	14
NEVADA.....	1,346,196	0	1,306,196	0	1,404,161	0
OHIO.....	5,263,882	0	5,473,882	0	5,884,423	0
OKLAHOMA.....	3,113,495	11	2,191,387	8	2,355,741	8
OREGON.....	5,381,773	0	5,341,773	0	5,742,406	0
PENNSYLVANIA.....	4,811,764	17	3,561,004	13	2,971,699	6
RHODE ISLAND.....	1,345,191	0	1,305,191	0	1,403,080	0
SOUTH CAROLINA.....	5,094,809	18	4,382,774	16	4,711,482	16
SOUTH DAKOTA.....	1,518,286	0	1,478,286	0	1,589,157	0
TENNESSEE.....	4,811,764	17	4,108,851	15	4,417,014	15
TEXAS.....	10,473,885	36	11,504,782	42	12,367,640	42
UTAH.....	1,346,199	0	1,306,199	0	1,404,164	0
VERMONT.....	1,345,191	0	1,305,191	0	1,403,080	0
VIRGINIA.....	2,847,710	0	2,807,710	0	3,018,288	0
WASHINGTON.....	5,377,854	19	6,300,238	23	6,772,756	23
WEST VIRGINIA.....	1,346,196	0	1,306,196	0	1,404,161	0
WISCONSIN.....	5,540,698	0	5,500,697	0	5,912,247	0
WYOMING.....	1,578,321	0	1,538,320	0	1,653,694	0
TOTAL ADMINISTRATIVE & OPERATING EXPENSE	\$331,608,462	846	\$322,870,000	865	\$335,377,000	865

FEDERAL CROP INSURANCE CORPORATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Federal Crop Insurance Corporation Fund

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, [\$260,500,000] \$285,794,000 of which [\$39,000,000] \$58,768,000 is to reimburse the Federal Crop Insurance Corporation Fund for agents' commission and loss adjustment obligations incurred during prior years, but not previously reimbursed, as authorized by section 516(a) of the Act, as amended.

FEDERAL CROP INSURANCE CORPORATION

Federal Crop Insurance Corporation Fund

Appropriation Act, 1992.....	\$260,500,000
Budget Estimate, 1993.....	285,794,000
Increase in Appropriation.....	<u>\$25,294,000</u>

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

ITEM OF CHANGE:	1992 Estimated	Program Changes	1993 Estimated
1. Premium Subsidy.....	\$221,500,000	+\$5,526,000	\$227,026,000
2. Reimbursement of A&O Exp. Paid by Fund....	39,000,000	+19,768,000	58,768,000
Total Available.....	<u>\$260,500,000</u>	<u>+\$25,294,000</u>	<u>\$285,794,000</u>

PROJECT STATEMENT
(on basis of appropriation)

	1991 Actual	1992 Estimated	Increase(+) Decrease(-)	1993 Estimated
ITEM OF CHANGE:				
1. Premium Subsidy :	\$219,997,000	\$221,500,000	+5,526,000(1)	\$227,026,000
2. Reimbursement of:				
Admin. & Oper. :				
Exp. Pd. by Fund:	117,368,000	39,000,000	+19,768,000(2)	58,768,000
Total Available....:	<u>\$337,365,000</u>	<u>\$260,500,000</u>	<u>+\$25,294,000</u>	<u>\$285,794,000</u>

PROJECT STATEMENT
(on basis of available funds)

	1991	1992		1993
	Actual	Estimated	Change	Estimated
FCIC FUND:				
Indemnities:				
Reinsurance.....	\$810,367,000	\$1,030,042,628	-\$33,292,628	\$996,750,000
Government.....	97,355,000	116,285,342	-5,535,342	110,750,000
ASCS.....	0	0	+28,527,000	28,527,000
Total Indemnities	907,722,000	1,146,327,970	-10,300,970	1,136,027,000
Other Expenses...	58,117,043	62,779,911	+2,957,955	65,737,866
Admin. Expenses				
Paid from Fund...	0	58,768,380	-403,130	58,365,250
Total Expenses....	965,839,043	1,267,876,261	-7,746,145	1,260,130,116
Offsetting collec-				
tions from non-				
Federal sources:				
Producer Prem...	-568,923,750	-659,414,641	-21,661,859	-681,076,500
Other Income...	-4,478,000	-4,766,585	-31,523	-4,798,109
Total Available...	-573,401,750	-664,181,226	-21,693,382	-685,874,609
Unobligated Bal.,				
Start of Year....	-389,016,731	-483,944,438	163,195,035	-320,749,403
CCC Transfers.....	-150,000,000	-180,000,000	-86,549,000	-266,549,000
Unobligated Bal.,				
End of Year.....	483,944,438	320,749,403	-21,912,508	298,836,896
TOTAL				
APPROPRIATION....	\$337,365,000	\$260,500,000	+\$25,294,000	\$285,794,000

EXPLANATION OF PROGRAM

The Federal Crop Insurance Act of 1980, as amended, authorizes the payment of up to 30 percent of the adjusted insurance premium of each producer participating in the program. Subsidies will be paid by the Corporation based upon 30 percent of the risk premium (reduced, where applicable, for hail and fire exclusion) on any coverage under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised yield, and encourage the broadest possible participation of agricultural producers in the program. Currently, about 25 percent of the total premium level is subsidized.

The Corporation's budget is presented in accordance with Generally Accepted Accounting Principles (GAAP), Financial Accounting Standards Board (FASB), Statement No. 5, "Accounting for Contingencies," and/or Statement No. 60, "Accounting and Reporting by Insurance Enterprises."

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$5,526,000 (\$221,500,000 available in FY 1992) for premium subsidy for a total of \$227,026,000.

Need for Change. This increase will provide premium subsidy for the additional \$25.7 million in premium sales estimated to be delivered and serviced by ASCS.

Nature of Change. The Federal Crop Insurance Act, as amended, authorizes the Corporation to subsidize up to 30 percent of producer premium. This increase is based on 25 percent of the additional ASCS premium sales.

- (2) An increase of \$19,768,000 for reimbursement of Administrative and Operating Expenses paid by the Fund (\$39,000,000 available in FY 1992) for a total FY 1993 requirement of \$58,768,000.

Need for Change. The FY 1993 request of \$58,768,000 is needed to reimburse the Fund for FY 1992 A&O expenses paid by the Fund in FY 1992.

Nature of Change. The reimbursement will insure that a reasonable balance is maintained in the FCIC revolving fund.

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
Geographic Breakdown Of Obligations And Staff-Years
1991 Actual and Estimated 1992 and 1993

	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
<u>UNDISTRIBUTED *</u>						
Federal Crop Insurance						
Crop Insurance Fund:						
Reinsurance.....	\$810,367,000	0	\$1,030,042,628	0	\$996,750,000	0
Government.....	97,355,000	0	116,285,342	0	110,750,000	0
ASCS.....	0	0	0	0	28,527,000	
Program Expenses						
Paid by Fund.....	0	0	58,768,380	0	58,365,250	0
Other Expenses <u>a/</u>	58,117,043	0	62,779,911	0	65,737,866	0
TOTAL, FCIC FUND....	\$965,839,043	0	\$1,267,876,261	0	\$1,260,130,116	0

* Due to the inability to predict the location of sales and losses, it is impractical to estimate the State cost distribution.

a/ This includes interest expense, claims litigation, and debt cancellations.

FARMERS HOME ADMINISTRATION

Purpose Statement

The Farmers Home Administration was established November 1, 1946, by the Farmers Home Administration Act of 1946. Farmers Home Administration's program activities include:

FARMER PROGRAMS:

Farm ownership loans - are made to farmers and ranchers who are or will be owner operators of a not larger than family-size farm and who cannot obtain credit elsewhere to improve or acquire farms, refinance debts, finance non-farm enterprises, or make additions to farms. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to 1 percent additional. However, loans to limited resource borrowers bear interest of not more than one-half of the Treasury rate for marketable obligations with maturities of 5 years, plus not more than 1 percentage point, with a minimum floor of 5 percent. The applicable interest rate is increased by 2 percent if the project being financed involves the use of prime farmland for non-farm purposes. The interest rate for guaranteed loans is negotiated by the lender and borrower. FmHA may subsidize the rates on guaranteed loans up to 4 percent, depending upon borrower needs under the Interest Assistance program as provided in the Agricultural Credit Act of 1987 and the Omnibus Budget Reconciliation Act of 1990. The term for farm ownership loans may be up to 40 years when the longer term is necessary.

Operating loans - provide short-to-intermediate term production or chattel credit to farmers who are or will be the operators of a not larger than family-size farm and who cannot obtain credit elsewhere. Loan terms include a repayment period not to exceed 7 years but may be rescheduled for up to 15 additional years. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to 1 percent additional. However, loans to limited resource borrowers bear interest of not more than one-half of the Treasury rate for marketable obligations with maturities of 5 years plus not more than 1 percentage point, with a minimum floor of 5 percent. The interest rate is increased by 2 percent if the project being financed involves the use of prime farmland for non-farm purposes. The interest rate for guaranteed loans is negotiated by the lender and borrower. FmHA may subsidize the rates on guaranteed loans up to 4 percent, depending upon borrower needs. The Interest Assistance program is available to borrowers as a major loan restructuring provision of the Agricultural Credit Act of 1987 and the Omnibus Budget Reconciliation Act of 1990.

Emergency disaster loans - are made to farmers in counties declared as emergency disaster areas or in contiguous counties to restore production. Family farmers who cannot get credit elsewhere are eligible for actual loss loans of up to \$500,000 per disaster at a rate of 4.5 percent. Repayment terms for actual loss loans vary according to the purposes of the loan, type of collateral available to secure the loan, and the projected repayment ability of the borrower. Loans for actual production or physical losses to crops, livestock, supplies and equipment may be scheduled for repayment for up to seven years. Under some conditions a longer repayment period may be authorized for production loss loans, but not to exceed 20 years. Generally, real estate will be needed as security when more than seven years is authorized. Loss loans for actual losses to real estate will generally be scheduled for repayment within 30 years but under some conditions may be scheduled for up to 40 years.

Soil and water loans - are made to farmers, ranchers and non-operator owners for land and water development, use, and conservation. Loans are repayable in not more than 40 years. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to 1 percent additional. The interest rate is increased by 2 percent if the project being financed involves the use of prime farmland for non-farm purposes. Guaranteed loans bear an interest rate negotiated by the lender and the borrower.

Indian tribe land acquisition loans - are made to qualified Indian tribes or tribal corporations to acquire land or interest in land within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior. The interest rate is determined by the Secretary of Agriculture. Loans are repayable in not more than 40 years.

Watershed works of improvement and flood prevention loans - are made to local sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for installing, repairing, or improving watersheds and water storage facilities, purchasing sites or rights-of-way, and related costs. These loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. Total loans outstanding on any one project may not exceed \$10 million.

Resource conservation and development loans - are made to local sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for planned conservation measures and works of improvement as specified in approved work plans. These loans are repayable in not more than 30 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity.

State mediation grants - are made to States which have been certified by USDA as having an agricultural loan mediation program which meets federal requirements for certification. Grants will be solely for operation and administration of the State's Agricultural Loan Mediation Program. A grant will not exceed 50 percent of the total fiscal year funds that a qualifying State requires to operate and administer its Agricultural Loan Mediation Program. In no case will the total amount of a grant exceed \$500,000 annually.

HOUSING PROGRAMS:

Section 502 - Subsidized housing loans - are made to repair or purchase new or existing housing in order to provide very low-income and low-income rural residents who cannot obtain credit elsewhere, with a modest, safe, and sanitary single family dwelling at rates and terms they are able to afford. Families are eligible who meet certain criteria and qualify for interest credit which reduces the effective interest rate for the borrower to as low as 1 percent. Loans are repayable normally in 33 years, or 38 years under certain conditions. Not less than 40 percent of the funding authorized nationally is to be set aside for very low-income families or persons, and not less than 30 percent of the funding allocated to each State is to be available for very low-income families or persons. Very low-income applicants unable to afford a loan with maximum interest credit may be considered and qualify for a loan under the Deferred Mortgage Payment Program, newly authorized in 1991, under which up to 25 percent of a borrower's monthly payment can be temporarily deferred with the deferred amounts subject to repayment.

Section 502 - Unsubsidized housing loans - are made to finance equity and make repairs in connection with transfers, repairs and renovation to existing borrower dwellings, and repairs to suitable inventory dwellings in connection with credit sales; or to low or very low-income applicants that are otherwise eligible for the program but do not require interest credit assistance under the interest credit formula. This credit is made available to those who cannot obtain credit elsewhere. The interest rate is based on Treasury's cost-of-money. The term for repayment is normally 33 years. Guaranteed loans may be made to eligible moderate-income applicants on an unsubsidized basis to purchase new or existing housing. Loans are repayable over a 30 year period. Interest rates may not exceed the Department of Veterans Affairs rate.

Section 515 - Rural rental and cooperative housing loans - are made to individuals, corporations, associations, State or local public agencies, trusts, or partnerships to provide modest cost rental or cooperative housing and related facilities for elderly persons and other persons of low-income and very low-income or moderate-income in rural areas. These loans are repayable in not more than 50 years, and the interest rate to the borrower is based on Treasury's cost-of-money with provisions for interest reductions under certain circumstances based on tenant income. These loans are made only if the applicant cannot meet the need for

housing with financial assistance from other sources. Loans may also be made to provide equity payments to borrowers whose Section 515 loans could otherwise be prepaid and removed from the program. Equity loans can also be made to nonprofit organizations and public agencies wishing to purchase projects that are eligible for prepayment.

Section 521 - Rural rental assistance payments - are made to owners of FmHA financed rental projects in order to make housing affordable to very low-income occupants at rates commensurate to their incomes. Rental rates to tenants are not to exceed the higher of (1) 30 percent of the monthly adjusted income, (2) 10 percent of monthly income, or (3) the portion of the welfare assistance payments specifically designated for housing costs in the case of a person or a family receiving such assistance. Congress authorized and appropriated assistance under Section 502(c)(5)(D) for debt forgiveness for owners or payments to eligible households of subsidized renters in projects purchased by eligible nonprofit organizations or public agencies to prevent diversion of low-income rental housing by virtue of Section 515 loan prepayment.

Section 504 - Very low-income housing repair grants - are made to low-income persons to make necessary repairs to their dwellings in order to make them safe and remove health hazards to the families or the community. Recipients must be 62 years of age or older and unable to repay a loan. These grants carry a lifetime assistance limitation of \$5,000 per recipient.

Section 504 - Very low-income housing repair loans - are made to very low income persons to repair or improve their dwellings in order to make them safe and sanitary or to remove health hazards to the families or the community. Loans are made at a 1 percent interest rate for not more than 20 years. The maximum loan assistance for section 504 repair purposes is \$15,000.

Section 514 - Rural housing for domestic farm labor loans - are made to farm owners, to public or private nonprofit organizations, or to nonprofit organizations of farm workers to provide modest living quarters, basic household furnishings, and related facilities for farm workers. The loans are repayable in not more than 33 years and bear interest not in excess of 1 percent, except under certain circumstances. The interest rate limitation may be waived by the Secretary of Agriculture in favor of a Treasury cost-of-money based interest rate in order to provide needed housing and related facilities for migrant domestic farm laborers where there are no public or private non-profit sponsors available for owning and managing the needed housing. Loans to organizations may be made simultaneously with farm labor housing grants and are made only if the necessary housing cannot be provided with financial assistance from other sources.

Section 516 - Rural housing for domestic farm labor grants - are made to public or broad-based private nonprofit organizations, States or political subdivisions, or nonprofit organizations of domestic farm workers. Grant assistance, not to exceed 90 percent of the total development costs, is provided for new construction or rehabilitation of existing buildings suitable for dwelling use by domestic farm labor. Funds also may be used for essential related facilities such as dining halls, community rooms or buildings, infirmaries or other essential services, including basic household furnishings. These grants may be made simultaneously with domestic farm labor housing loans.

Section 524 - Rural housing site loans - are made for purchase and development of land to be subdivided into building sites and sold on a nonprofit basis to low-income and moderate-income families or to organizations for rental or cooperative housing. Direct loans are made for a 2-year period at an interest rate based on Treasury's cost-of-money.

Section 523 - Mutual and self-help housing grants - are especially designed to aid the development of mutual or self-help housing programs under which groups of families build their own homes by mutually exchanging labor. Grants are used to provide technical and supervisory assistance to rural families who build their homes by the self-help method.

Section 509(c) - Compensation for construction defects - payments are made to eligible Section 502 borrowers to pay for making structural repairs on newly constructed dwellings built or purchased as approved by the Agency. The assistance must be requested by the owner of the property within 18 months after the loan is closed or final construction inspection is made. Claims will not be paid until provisions under the builder's warranty have been fully pursued.

Section 509(f) - Supervisory & Technical Assistance grants - are made to public and private nonprofit organizations for packaging loan applications for housing under Sections 502, 504, 514/516, 515, 524 and 533. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level and at least 10 percent or more of the population resides in substandard housing.

Section 533 - Housing preservation grants - are made to eligible nonprofit private groups, Indian tribes, or Government agencies for the rehabilitation of single family housing owned by low-income and very low-income rural families and the rehabilitation of rental and cooperative housing for low-income and very low-income rural families.

Self-help housing land and development fund - provides qualified public or private nonprofit organizations with financing for the acquisition and development of rural building sites for houses to be constructed by the self-help method. Loans are made for a 2-year period at an interest rate not to exceed 3 percent.

General - In fiscal year 1993, the budgeted lending programs will be comprised of direct and guaranteed loans. FmHA is responsible for making, disbursing, servicing and collection of direct loans.

Guaranteed loans are originated, held, and serviced by a private financial agency or other lender approved by the Secretary. The Agency guarantees to pay to the lender up to a specified percent of the face value of a guaranteed loan if the borrower fails to repay.

As of September 30, 1991, FmHA's portfolio was about 1.4 million loans with total principal indebtedness of about \$57 billion. FmHA administers its programs through the Washington Headquarters, 46 State offices, a National Finance Office in St. Louis, Missouri, and approximately 2,121 district and county offices utilizing the services of about 3,518 supervisors and 5,938 local committee members. As of September 30, 1991, there were 14,450 FmHA employees, of which 11,665 were full-time employees in permanent positions. Of these, 599 PFT and 37 others were based in Washington and 11,066 PFT and 2,748 others were in the field.

Available Funds and Staff Years, 1991 and Estimated 1992 and 1993

Item	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Farmers Home Administration						
Acricultural Credit Insurance						
Fund:						
Liquidating account.....	6,014,356,000:	--:	a/:	--:	a/:	--
Program account:						
Subsidy.....	--:	--:	323,442,000:	--:	194,729,000:	--
Administrative expense-						
Non-recoverable loan cost..	--:	--:	--:	--:	28,933,000:	--
Rural Housing Insurance Fund:						
Liquidating account.....	2,667,186,000:	--:	a/:	--:	a/:	--
Program account:						
Subsidy.....	--:	--:	586,825,000:	--:	494,813,000:	--
Administrative expense-						
Non-recoverable loan cost..	--:	--:	--:	--:	44,530,000:	--
Self-Help housing Land						
development fund program						
account.....	--:	--:	43,000:	--:	--:	--
Supervisor and technical						
assistance grants.....	--:	--:	2,500,000:	--:	--:	--
State Mediation Grants.....	3,749,951:	--:	3,750,000:	--:	2,000,000:	--
Rental Assistance Program.....	311,119,000:	--:	319,900,000:	--:	202,000,000:	--
Rural housing for a/						
domestic farm labor.....	10,999,857:	--:	11,000,000:	--:	10,000,000:	--
Mutual and self-help b/						
housing grants.....	8,749,886:	--:	8,750,000:	--:	--:	--
Very low income housing						
repair grants c/.....	12,742,690:	--:	12,500,000:	--:	5,000,000:	--
Rural housing voucher program						
Compensation for						
construction defects d/.....	499,994:	--:	500,000:	--:	--:	--
Rural housing preservation						
grants.....	22,999,701:	--:	23,000,000:	--:	10,000,000:	--
Salaries and Expenses:						
Direct appropriation.....	18,349,102:	381:	22,601,000:	390:	23,802,000:	440
Transfer from ACIFPA.....	184,238,755:	3,831:	226,931,000:	3,924:	211,673,000:	3,822
Transfer from RHIFPA.....	346,759,142:	7,210:	427,111,000:	7,386:	383,214,000:	6,838
Transfer from SHHLDF.....	--:	--:	21,000:	--:	--:	--
Subtotal salaries &						
expenses and program						
resources.....	549,346,999:	11,422:	676,664,000:	11,700:	618,689,000:	11,100
Total.....	9,601,750,078:	11,422:	1,968,874,000:	11,700:	1,750,694,000:	11,100
Obligations under other USDA						
appropriations:						
Miscellaneous reimbursements:						
Agricultural Service						
Centers.....	535,528:	--:	535,000:	--:	535,000:	--
Total, Agricultural						
Appropriations.....	9,602,285,606:	11,422:	1,969,409,000:	11,700:	1,751,229,000:	11,100

Available Funds and Staff Years, 1991 and Estimated 1992 and 1993-Continued

Item	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Staff :Years	Amount	Staff :Years	Amount	Staff :Years
Other Federal Funds:						
Other program funds from						
Federal sources:						
Appalachia Regional Development Program Grants.....	16,417,637:	--:	11,000,000:	--:	10,000,000:	--
Total, other program funds.....	16,417,637:	--:	11,000,000:	--:	10,000,000:	--
Other administrative funds from Federal sources:						
Appalachia Regional Conservation Program and Economic Development Administration.....	106,150:	2:	107,000:	2:	107,000:	2
Sales of Property through GSA.....	3,027:	--:	5,000:	--:	5,000:	--
Miscellaneous Receipts (health clinic, hearings, transcriptions, etc.).....	43,857:	--:	40,000:	--:	40,000:	--
Total, other administrative funds.....	153,034:	2:	152,000:	2:	152,000:	2
Total, other funds.....	16,570,671:	2:	11,152,000:	2:	10,152,000:	2
Total, Farmers Home Administration.....	9,618,856,277:	11,424:	1,980,561,000:	11,702:	1,761,381,000:	11,102

	1991 Actual	1992 Estimated	1993 Estimated
Full time Equivalent Staff-Years:			
Ceiling.....	11,424	11,702	11,102
Non Ceiling.....	408	457	457
Total.....	11,832	12,159	11,559

- a/ Excludes \$2,024,635 of unobligated balance and \$401,044 of recoveries from prior year appropriations which were available in FY 1991 and \$2,758,372 of unobligated balance which will be available in FY 1992.
- b/ Excludes \$9,676,449 of unobligated balance and \$652,541 of recoveries which were available in FY 1991 and \$5,873,024 of unobligated balance which will be available in FY 1992.
- c/ Excludes \$23,736 of unobligated balance and \$235,951 of recoveries from prior year appropriations which were available in 1991 and \$19,927 of unobligated balance which will be available for FY 1992.
- d/ Excludes \$519,144 of unobligated balance and \$5,846 of recoveries from prior year appropriations which were available in 1991 and \$856,385 of unobligated balance which will be available in FY 1992.
- e/ Includes \$600,000 appropriated separately to the Office of the Administrator.

FARMERS HOME ADMINISTRATION
Permanent Positions by Grade and Staff-Year Summary
1991 and Estimated 1992 and 1993

Grade	1991			1992			1993		
	Head- quarters	Field	Total	Head- quarters	Field	Total	Head- quarters	Field	Total
Executive Level V	1	--	1	1	--	1	1	--	1
ES-6	1	--	1	1	--	1	1	--	1
ES-5	2	--	2	2	--	2	2	--	2
ES-4	2	1	3	2	1	3	2	1	3
ES-3	1	--	1	1	--	1	1	--	1
ES-2	1	--	1	1	--	1	1	--	1
ES-1	1	--	1	1	--	1	1	--	1
GS/GM-15	29	54	83	31	50	81	31	46	77
GS/GM-14	55	20	75	56	17	73	55	14	69
GS/GM-13	140	213	353	122	223	345	112	218	330
GS-12	79	1,450	1,529	80	1,416	1,496	72	1,350	1,422
GS-11	15	1,390	1,405	28	1,346	1,374	25	1,281	1,306
GS-10	0	50	60	1	61	62	1	58	59
GS-9	21	1,560	1,581	35	1,511	1,546	32	1,436	1,468
GS-8	7	185	192	7	181	188	7	172	179
GS-7	45	940	985	35	928	963	34	881	915
GS-6	35	1,078	1,113	35	1,054	1,089	33	1,002	1,035
GS-5	18	2,330	2,348	16	2,281	2,297	17	2,165	2,182
GS-4	33	1,089	1,122	23	1,074	1,097	26	1,016	1,042
GS-3	3	228	231	7	219	226	7	208	215
GS-2	0	48	48	4	43	47	4	41	45
GS-1	--	3	3	--	3	3	--	3	3
Ungraded Position	0	2	2	1	2	3	1	2	3
Total Permanent Positions	489	10,651	11,140	490	10,410	10,900	466	9,894	10,360
Unfilled Positions end-of-year	--	372	3/2	--	--	--	--	--	--
Total, Permanent Employment, end-of-year	489	10,279	10,768	490	10,410	10,900	466	9,894	10,360
Staff Years: Ceiling	489	10,935	11,424	492	11,210	11,702	466	10,636	11,102
Non-Ceiling	16	392	408	16	441	457	16	441	457
Total 1/	505	11,327	11,832	508	11,651	12,159	482	11,077	11,559

1/ Staff-Years of overtime include: 1991, 70; 1992, 109; 1993, 109.

FARMERS HOME ADMINISTRATION

CLASSIFICATION BY OBJECTSFY 1991 and Estimated FY 1992 and FY 1993

Personnel Compensation:	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
Headquarters.....	\$ 22,543,000	\$ 23,830,000	\$ 22,560,000
Field.....	309,707,275	337,124,000	333,350,000
11 Total personnel compensation.	332,250,275	360,954,000	355,910,000
12 Personnel benefits.....	68,488,972	78,134,000	76,879,000
13 Benefits for former personnel	651,313	600,000	600,000
Total personnel compensation and benefits.....	401,390,560	439,688,000	433,389,000
Other Objects:			
21 Travel.....	22,508,860	31,916,000	27,305,000
22 Transportation of things....	2,190,178	3,223,000	2,862,000
23.1 Rental payments to GSA.....	263,251	-0-	-0-
23.2 Rental payments to others....	21,345,472	25,659,000	24,870,000
23.3 Communications, utilities and miscellaneous charges.....	34,571,751	39,873,000	36,920,000
24 Printing and reproduction....	4,618,566	5,871,000	6,038,000
25 Other services.....	189,316,325	198,012,000	179,306,000
26 Supplies and materials.....	4,215,593	5,738,000	5,985,000
31 Equipment.....	21,987,752	45,713,000	21,934,000
33 Investments and Loans.....	2,692,258,000	206,321,000	152,121,000
41 Grants, subsidies and contributions.....	378,025,000	1,265,451,000	1,081,650,000
42 Insurance claims and indemnities.....	215,262	257,000	258,000
43 Interest and dividends.....	6,942,173,491	5,724,974,000	4,987,608,000
44 Refunds.....	8,857,000	1,400,000	1,000,000
Total other objects.....	10,322,546,501	7,554,408,000	6,527,857,000
Total obligations.....	10,723,937,061	7,994,096,000	6,961,246,000

Position Data:

Average Salary, ES positions.....	\$99,000	\$102,462	\$106,250
Average Salary, GS positions.....	\$27,150	\$28,290	\$29,340
Average Grade, GS positions.....	7.87	7.87	7.87

January 21, 1992

FARMERS HOME ADMINISTRATION
Summary of Program Levels: FY 1991 - FY 1993
(Dollars in Thousands)

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	FY 1991 Current Estimate		FY 1992 Current Estimate		FY 1993 President's Budget	
	Number	Amount	Number	Amount	Number	Amount
FARM PROGRAM LOANS						
Direct Farm Ownership Loans.....	641	\$57,139	720	\$66,750	290	\$27,900
Guar Farm Owners Lns (non-sub)....	2,254	326,223	3,240	488,750	1,970	300,000
Guar Farm Ownership Lns. (sub)....	255	39,289	5	500	410	62,100
Direct Farm Operating Loans.....	10,679	489,900	17,800	850,000	6,260	314,100
Guar Farm Operat Lns. (non-sub)....	9,062	864,167	18,120	1,800,000	11,880	1,250,000
Guar Farm Operating Lns (sub.)....	1,683	176,388	1,665	181,640	6,630	697,900
Direct Emergency Disaster Lns.....	1,181	81,402	8,360	600,000	1,400	100,000
Direct Soil and Water Lns.....	190	4,968	200	5,500	0	0
Guaranteed Soil and Water Lns.....	16	531	40	1,500	0	0
Credit Sales of Acquired Property.	707	58,639	2,315	200,000	1,560	125,000
FP Direct Loans.....	13,398	692,048	29,395	1,722,250	9,510	567,000
FP Guaranteed Loans.....	13,270	1,406,598	23,070	2,472,390	20,890	2,310,000
Subtotal FP Loans.....	26,668	2,098,646	52,465	4,194,640	30,400	2,877,000
State Mediation Grants	15	2,624	20	3,750	17	2,000
TOTAL FARM PROGRAMS	26,683	2,101,270	52,485	4,198,390	30,417	2,879,000
RURAL HOUSING PROGRAMS						
Sec 502 Dir Single Fam Housing....	32,375	1,276,230	32,790	1,295,000	12,860	450,000
Sec 502 Guar Single Fam./Unsub....	174	8,418	6,560	329,500	5,890	300,000
Sec 502 Guar Single Fam./Sub.....	488	29,982	0	0	7,340	400,000
Sec 515 Dir Multi-Fam Housing.....	722	576,335	720	573,900	440	341,000
Sec 504 Housing Repair Loans.....	2,951	11,292 1/	2,900	11,330	2,820	11,100
Sec 514 Farm Labor Hsg. Loans.....	57	13,836	65	16,300	107	16,250
Sec 524 RH Site Dev. Loans.....	2	600	2	600	0	0
Credit Sales of Acquired Property.	7,241	241,039	6,220	220,000	5,780	200,000
RH Direct Loans.....	43,348	2,119,332	42,697	2,117,130	22,007	1,018,350
RH Guaranteed Loans.....	662	38,400	6,560	329,500	13,230	700,000
Subtotal RH Loans.....	44,010	2,157,732	49,257	2,446,630	35,237	1,718,350
RENTAL ASSISTANCE PROGRAM						
Sec 521 Rental Assistance.....	1,926	308,094	1,930	308,100	1,540	190,200
Sec 502 Rental Assistance.....	7	3,025	25	11,800	25	11,800
Subtotal Rental Assistance....	1,933	311,119	1,955	319,900	1,565	202,000
RURAL HOUSING SUPPORT PROGRAMS						
Sec 516 Farm Labor Hsg Grants.....	17	10,667	21	13,758 2/	13	10,000
Sec 504 Housing Repair Grants.....	3,695	12,740	3,488	12,520 2/	1,343	5,000
Sec 523 Mutual S/H Hsg Grants.....	46	13,206	49	14,623 2/	0	0
Sec 509 Construction Defects.....	76	169	578	1,356 2/	0	0
Sec 523 Self-Hous Land Dev. Lns...	2	500	2	500	0	0
Sec 533 Hous Preservation Gts.....	193	23,000	178	23,000	75	10,000
Sec 525 Supr. & Tech. Asst. Gts....	0	0	10	2,500	0	0
Housing Vouchers-RRAP Units.....	0	0	0	0	59	140,000
Subtotal Housing Support.....	4,029	60,282	4,326	68,257	1,490	165,000
TOTAL HOUSING PROGRAMS.....	49,972	2,529,133	55,538	2,834,787	38,292	2,085,350
TOTAL FmHA PROGRAMS.....	76,655	4,630,403	108,023	7,033,177	68,709	4,964,350

1/ Includes \$114 thousands for loan cost.

2/ Includes carryover amounts from prior years.

Summary of Rural Housing Programs
(Dollar Amount in Thousands)

Program	1990 Actual				1991 Actual			
	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount
Rural Housing Insurance Fund:								
Section 502 Single-Family Housing:								
Low-Income housing:								
Subsidized	24,268	\$52,742	33,729	\$1,279,935	22,614	\$55,256	30,314	\$1,249,562
Subsidized in lieu of credit sales.....								
Unsubsidized	700	\$28,676	700	\$20,073	356	\$32,194	356	\$11,461
Unsubsidized low or moderate income loans for servicing or assumptions	--	--	1,814	\$10,756	249	\$61,072	1,705	\$15,207
Total, Insured Section 502...	24,968	\$52,498	36,243	\$1,310,764	23,219	\$54,965	32,375	\$1,276,230
Section 502 Guaranteed loans:								
Subsidized.....	--	--	--	--	488	\$61,439	488	\$29,982
Unsubsidized.....	--	--	--	--	172	\$48,944	174	\$8,418
Total, Guaranteed Section 502:	--	--	--	--	660	\$58,183	662	\$38,401
Total, Section 502	24,968	\$52,498	36,243	\$1,310,764	23,879	\$55,054	33,037	\$1,314,631
Credit Sales of Acquired Property:								
Subsidized, unsubsidized, and program ineligible loans.....	9,790	\$32,072	9,790	\$313,987	7,241	\$33,288	7,241	\$241,039
Section 515 Rural Rental Housing:								
Subsidized loans	16,063	\$35,604	764	\$571,904	15,396	\$37,434	722	\$576,335
Section 521 Rental Assistance Program 2/:								
Renewal/replacement and for various servicing purposes (nonadd new const units) (11,253)	15,210	11,197	2,046	296,309	16,155	10,636	1,926	308,094
(12,812)								
Section 502(c)(5)(D) Rental Assistance Program 2/:								
In lieu of forgiveness	8	11,047	1	88	273	11,081	7	3,025
Section 514 Farm Labor Housing Loans 3/	705	\$31,260	73	\$11,287	753	\$32,156	57	\$13,836
Section 504 Very Low Income Housing Repair Loans	2,609	\$4,430	2,994	\$11,557	2,557	\$4,416	2,951	\$11,292
Section 524 Rural Housing Site Loans	--	--	2	115	--	--	2	\$600
TOTAL, Rural Housing Insurance Fund	69,353	\$36,278	51,913	\$2,516,012	66,254	\$37,263	45,943	\$2,468,851

Program	1990 Actual				1991 Actual			
	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount
<u>Section 521 Rental Assistance</u>								
<u>Program 2/</u>								
Renewal/replacement and for various servicing purposes. (nonadd new const units)								
<u>Section 502(c)(5)(D) Rental</u>								
<u>Assistance Program 2/</u>								
In lieu of forgiveness								
<u>Section 516 Farm Labor</u>								
<u>Housing Grants</u>								
Grants 3/	--	--	7	\$10,751	--	--	12	\$10,377
Contracts	--	--	7	\$318	--	--	5	\$290
<u>Section 523 Mutual and</u>								
<u>Self-Help Housing</u>								
Grants 4/	--	--	24	\$5,301	--	--	41	\$12,034
Contracts	--	--	6	\$1,126	--	--	5	\$1,171
<u>Section 504 Very Low Income</u>								
<u>Housing Repair Grants</u>	2,858	\$4,424	3,664	12,642	2,882	\$4,420	3,695	\$12,740
<u>Self-Help Land Development</u>								
<u>Fund</u>								
Section 523 Site Loans	--	--	1	500	--	--	2	\$500
<u>Rural Housing Voucher Program ...</u>	--	--	--	--	--	--	--	--
<u>Compensation for Construction</u>								
<u>Defects</u>	--	--	38	179	--	--	76	169
<u>Section 533 Rural Housing</u>								
<u>Preservation Grants</u>	5,379	\$3,558	160	\$19,140	4,582	\$5,020	193	\$23,000
<u>Section 525 Supervisory and Tech-</u>								
<u>nical Assistance Grants</u>	--	--	--	--	--	--	--	--
<u>TOTAL, RURAL HOUSING</u>								
<u>PROGRAMS</u>	77,590	\$33,071	55,820	2,565,969	73,718	\$34,308	49,972	2,529,132

- 1/ Numbers in the "units" columns represent housing units provided by FmHA. Each housing unit is capable of accomodating one family, although average family size varies among programs. Numbers in parentheses reflect assistance to housing units which are recorded under other programs.
- 2/ Units assisted under the Rural Rental Assistance program are counted under the Rural Rental Housing loan program or Farm Labor Housing loan program.
- 3/ Farm labor grants are made in conjunction with loans and the units provided are shown under the loan program. Average unit cost calculation based on total amount of loan and grant programs.
- 4/ Self-help grants provide funds for technical assistance rather than actual construction. The loan funds are usually provided under the section 502 program; therefore, the units assisted are recorded as units financed by section 502.

FARMERS HOME ADMINISTRATION
Summary of Rural Housing Programs
(Dollar Amount in Thousands)

Program	1992 Estimate				1993 Estimate			
	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount
<u>Rural Housing Insurance Fund:</u>								
<u>Section 502 Single-Family</u>								
<u>Housing:</u>								
Low-Income housing:								
Subsidized	21,850	\$56,979	29,320	\$1,245,000	7,435	\$60,525	12,860	\$450,000
Subsidized in lieu of credit								
sales.....					0	\$0	0	\$0
Unsubsidized	750	\$33,333	750	\$25,000	0	\$0	0	\$0
Unsubsidized low or moderate								
income loans for servicing								
or assumptions	--	--	2,720	\$25,000	--	--	0	\$0
Total, Insured Section 502..	22,600	\$57,301	32,790	\$1,295,000	7,435	\$60,525	12,860	\$450,000
Section 502 Guaranteed loans:								
Subsidized.....	0	\$0	0	\$0	7,310	\$54,720	7,340	\$400,000
Unsubsidized.....	6,530	\$50,459	6,560	\$329,500	5,750	\$52,174	5,890	\$300,000
Total, Guaranteed Section 502:	6,530	\$50,459	6,560	329,500	13,060	\$53,599	13,230	\$700,000
<u>Total, Section 502</u>	<u>29,130</u>	<u>\$55,767</u>	<u>39,350</u>	<u>\$1,624,500</u>	<u>20,495</u>	<u>\$56,111</u>	<u>26,090</u>	<u>\$1,150,000</u>
<u>Credit Sales of Acquired Property:</u>								
Subsidized, unsubsidized, and								
program ineligible loans.....	6,470	\$34,003	6,220	\$220,000	5,780	\$34,602	5,780	200,000
<u>Section 515 Rural Rental Housing:</u>								
Subsidized loans	14,770	\$38,856	720	\$573,900	8,200	\$41,585	440	\$341,000
(nonadd new constr rental assis-								
tance units incl in ln subsidy):					(6,330)			
<u>Section 521 Rental Assistance</u>								
<u>Program 2/</u>								
Renewal/replacement and for								
various servicing purposes..								
(nonadd new const units)								
<u>Section 502(c)(5)(D) Rental</u>								
<u>Assistance Program 2/</u>								
In lieu of forgiveness								
<u>Section 514 Farm Labor</u>								
Housing Loans 3/	900	\$32,981	65	\$16,300	760	\$34,349	107	\$16,250
<u>Section 504 Very Low Income</u>								
Housing Repair Loans	2,510	\$4,514	2,900	\$11,330	2,450	\$4,531	2,820	\$11,100
<u>Section 524 Rural Housing</u>								
Site Loans	--	--	2	\$600	--	--	--	--
<u>TOTAL, Rural Housing</u>								
<u>Insurance Fund</u>	<u>53,780</u>	<u>\$45,493</u>	<u>49,257</u>	<u>\$2,446,630</u>	<u>37,685</u>	<u>\$45,598</u>	<u>35,237</u>	<u>\$1,718,350</u>

Program	1992 Estimate				1993 Estimate			
	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount	1/ Units	Avg. Unit Cost	Number of Obliga- tions	Dollar Amount
Section 521 Rental Assistance								
Program 2/								
Renewal/replacement and for various servicing purposes.	16,155	10,636	1,930	\$308,100	18,425	10,323	1,540	\$190,200
(nonadd new const units)	(12,812)							
Section 502(c)(5)(D) Rental								
Assistance Program 2/								
In lieu of forgiveness	1,064	\$11,081	25	\$11,800	999	\$11,802	25	\$11,800
Section 516 Farm Labor								
Housing Grants								
Grants 3/	--	--	15	\$13,383	--	--	11	\$9,855
Contracts	--	--	6	\$375	--	--	2	\$145
Section 523 Mutual and								
Self-Help Housing								
Grants 4/	--	--	46	\$14,123	--	--	--	--
Contracts	--	--	3	\$500	--	--	--	--
Section 504 Very Low Income								
Housing Repair Grants	2,854	\$4,387	3,488	\$12,520	1,051	\$4,757	1,343	\$5,000
Self-Help Land Development								
Fund								
Section 523 Site Loans	--	--	2	\$500	--	--	--	--
Rural Housing Voucher Program	--	--	--	--	5,900	\$23,729	59	\$140,000
Compensation for Construction								
Defects	--	--	578	\$1,356	--	--	--	--
Section 533 Rural Housing								
Preservation Grants	4,620	\$4,978	178	\$23,000	1,950	\$5,128	75	\$10,000
Section 525 Supervisory and Tech-								
nical Assistance Grants			10	\$2,500	--	--	--	--
TOTAL, RURAL HOUSING								
PROGRAMS	78,473	\$36,124	55,538	2,834,787	66,010	\$31,591	38,292	2,085,350

- 1/ Numbers in the "units" columns represent housing units provided by FmHA. Each housing unit is capable of accomodating one family, although average family size varies among programs. Numbers in parentheses reflect assistance to housing units which are recorded under other programs.
- 2/ Units assisted under the Rural Rental Assistance program are counted under the Rural Rental Housing loan program or Farm Labor Housing loan program.
- 3/ Farm labor grants are made in conjunction with loans and the units provided are shown under the loan program. Average unit cost calculation based on total amount of loan and grant programs.
- 4/ Self-help grants provide funds for technical assistance rather than actual construction. The loan funds are usually provided under the section 502 program; therefore, the units assisted are recorded as units financed by section 502.

FARMERS HOME ADMINISTRATION
COMPARISON OF LOAN DELINQUENT RATE
(Dollars in Thousands)

	September 30, 1990					September 30, 1991				
	All Borrowers		Borrowers Delinquent			All Borrowers		Borrowers Delinquent		
	Number	Amount of Loans Outstanding	Number	% of Del	Amount of Delinquent All	Number	Amount of Loans Outstanding	Number	% of Del	Amount of Delinquent All
Agricultural Credit Insur. Fund										
Individual Loans:										
Insured Farm Ownership 1/	100,366	\$6,465,700	17,410	17	\$481,890	97,023	6,056,027	17,396	18	437,204
Guar. Farm Ownership	9,084	1,287,133	366	4	15,043	10,881	1,520,256	489	5	15,135
Insured Farm Operating	83,154	4,393,921	24,855	30	1,000,361	83,075	3,846,649	27,565	33	923,986
Guar. Farm Operating	27,222	2,774,996	1,159	4	31,723	28,748	2,941,181	1,299	5	34,745
Recreation	132	9,049	32	24	1,777	123	7,848	32	26	1,617
Emergency Disaster	74,156	6,057,311	24,068	33	3,605,745	64,167	5,296,220	21,951	34	3,241,368
Guar. Emergency	8	426	1	13	436	5	304	1	20	436
Economic Emergency	29,915	2,405,919	11,498	38	1,009,706	26,030	2,069,083	10,050	39	868,522
Guar. Eco. Emergency	613	73,324	142	23	10,048	516	62,171	109	21	8,468
Emergency Livestock	28	3,932	13	46	1,252	19	2,658	6	32	519
Soil and Water	11,283	212,194	2,426	22	39,244	10,110	189,667	2,210	22	34,799
Association Loans:										
Irrigation and Drainage	133	13,707	9	7	2,380	123	12,962	9	7	2,756
Grazing	211	46,475	6	3	2,381	193	41,128	8	4	2,725
Recreation	519	48,878	9	2	446	482	44,184	9	2	542
Indian Tribe Land Acq.	29	80,516	2	7	435	29	80,244	3	10	783
Watershed Protection & Flood Prevention	211	74,609	3	1	391	206	72,628	2	1	485
Resource Conservation & Development	113	9,193	6	5	546	104	8,334	8	8	524
Misc. Agricultural Loans	--	--	--	--	--	5	92	--	--	--
Nonprogram Loans	--	--	--	--	--	1,968	132,064	234	12	7,275
Total, ACIF	337,177	23,957,283	82,005	24	6,203,804	323,807	22,383,700	81,381	25	5,581,889
Rural Housing Insurance Fund										
Low to Mod.-Inc. Hous. Lns: Repair (Section 504)	27,672	60,682	2,493	9	520	27,600	63,098	2,730	10	701
General Purpose (Sec. 502): Interest Credit	354,689	12,186,078	66,901	19	56,984	339,272	11,953,790	59,576	18	53,543
Non-Interest Credit	351,060	6,268,047	62,398	18	187,248	353,012	6,719,607	63,244	18	182,597
Guaranteed Rural Housing	578	17,304	58	10	328	558	16,907	48	9	314
Above Moderate-Income Hous. Loans (Section 502)	16,370	284,667	1,171	7	2,199	8,466	110,901	714	8	1,509
Domestic Farm Labor Loans (Section 514)	1,294	141,937	116	9	1,541	1,303	151,148	101	8	1,381
Rental or Cooperative Loans (Section 515)	15,632	9,415,211	483	3	19,879	16,034	9,942,073	792	5	21,002
Site Lns (Sec 523 & 524) 2/	3	667	2	67	215	3	575	2	67	282
Total, RHIF	766,720	28,357,289	133,564	17	268,586	745,690	28,941,192	127,159	17	261,015
Total, FmHA	1,103,897	52,314,572	215,569	20	6,472,390	1,069,497	51,324,892	208,540	20	5,842,904

1/ Includes non-farm enterprise loans.

2/ Activity for Section 523 Site Loans is part of the Self-Help Land Development Fund.

PROPOSED LANGUAGE CHANGES

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-2000), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490o); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950(40 U.S.C. 440-444), for administering the loan program authorized by title III-A of the Economic Opportunity Act of 1964 (Public Law 88-452 approved August 20, 1964), as amended, and such other programs which the Farmers Home Administration has the responsibility for administering,

- [~~\$748,584,000~~] \$618,689,000; of which [~~\$38,298,000~~] \$23,802,000 is hereby appropriated, [~~\$427,111,000~~] \$383,214,000 shall be derived by transfer from the Rural Housing Insurance Fund Program Account and merged with this account, [~~\$230,179,000~~] \$211,673,000 shall be derived by transfer from the Agricultural Credit Insurance Fund Program Account and merged with this
- 1 account [~~\$52,286,000~~] shall be derived by transfer from the Rural Development Insurance Fund Program Account and merged with this account, \$21,000 shall be derived by transfer from the Self-Help Housing Land Development Fund Program Account in this Act and merged with this account, and \$689,000 shall be derived by transfer from the Rural Development Loans Program Account and merged with this account]: Provided, That not to exceed \$500,000 of this appropriation may be used for employment under 5 U.S.C.
- 2 3109[: Provided further, That not to exceed \$3,985,000 of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: Provided further, That, in addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrowers, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: Provided, That, if the security instrument securing such loan is foreclosed, such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law].

- 3 [Office of the Administrator]

[For necessary salaries and expenses of the Office of the Administrator of the Farmers Home Administration, \$600,000: Provided, That no other funds in this Act shall be available for this Office.]

The first change deletes language and amounts transferred from the Rural Development Insurance Fund Program Account, Self-Help Housing Land Development Fund Program Account, and the Rural Development Loans Program Account. Appropriate language and amounts are requested under the Rural Development Administration. No funds requested for the Self-Help Housing Land Development Fund Program accounts.

The second change deletes language for contracting for the circuit rider program. This language has been added to the Rural Development Administration language in order that the program can be administered under that authority. In addition, also deletes language deferring principal and interest in certain cases and under certain foreclosure practices which is already incorporated into Agency regulations.

The third change eliminates the separate appropriation language for the Office of the Administrator account. To provide for a more efficient operation, it is proposed that the Administrator's costs be funded from the Farmers Home Administration Salaries and Expenses Appropriation.

FARMERS HOME ADMINISTRATION

Salaries and Expenses

	<u>Appropriation</u>	<u>Program Resources</u>	<u>Total</u>
Current Estimate 1992			
Salaries & Expenses.....	\$22,001,000	\$654,063,000	\$676,064,000
Office of the Administrator.	<u>600,000</u>	<u>--</u>	<u>600,000</u>
Total Appropriation, 1992.	22,601,000	654,063,000	676,664,000
Budget Estimate, 1993.....	<u>23,802,000</u>	<u>594,887,000</u>	<u>618,689,000</u>
Change in appropriation.....	<u>+1,201,000</u>	<u>-59,176,000</u>	<u>-57,975,000</u>

SUMMARY OF INCREASES AND DECREASES
(On Basis of Appropriation)

	: Salaries : & Expenses	: ACIF : Program	: RHIF : Program	: : 1/	: : Total
	: Direct : Approp.	: Account	: Account		: Available
FY 1992 Estimate	: \$22,601,000	: \$226,931,000	: \$427,132,000		: \$676,664,000
Items of Increase and Decrease:	:	:	:	:	:
Staff-Year Reduction...	: -750,000	: -7,534,000	: -14,181,000		: -22,465,000
Pay Costs.....	: +257,000	: +2,579,000	: +4,853,000		: +7,689,000
ADP.....	: -1,096,000	: -11,003,000	: -20,709,000		: -32,808,000
Lease Costs.....	: -100,000	: -1,006,000	: -1,894,000		: -3,000,000
Travel.....	: -134,000	: -1,341,000	: -2,525,000		: -4,000,000
Non-Recurring Contracts: and Other Costs.....	: +3,024,000	: +3,047,000	: -9,462,000		: -3,391,000
Subtotal, Increases: and Decreases.....	: +1,201,000	: -15,258,000	: -43,918,000		: -57,975,000
FY 1993 Estimate	: 23,802,000	: 211,673,000	: 383,214,000		: 618,689,000
Transfers from Other Accounts.....	: --	: -211,673,000	: -383,214,000		: -594,887,000
Total Appropriation for FY 1993.....	: 23,802,000	: --	: --		: 23,802,000

1/ Includes \$21,000 for Self Help Housing Land
Development Fund

FARMERS HOME ADMINISTRATION

Salaries and Expenses

PROJECT STATEMENT
(on basis of appropriation)
(Dollars in Thousands)

Project	1991 Actual		1992 Estimated		Increase: or Decrease:	1993 Estimated	
	Amount:	Staff: Years:	Amount:	Staff: Years:		Amount:	Staff: Years:
Salaries and Expenses:							
Appropriation <u>1/</u> ...	\$18,349:	381:	\$22,601:	390:	+\$1,201:	\$23,802:	440
Unobligated balance							
lapsing.....	6,122:		--:		--:	--:	
Administrative							
Expenses							
Transferred from:							
other Accounts:							
Agricultural Credit:							
Insurance Fund							
Program Account..	184,239:	3,831:	226,931:	3,924:	-15,258:	211,673:	3,822
Rural Housing							
Insurance Fund							
Program Account.	346,759:	7,210:	427,111:	7,386:	-43,897:	383,214:	6,838
Self Help Housing							
Land Development							
Fund.....	--:	--:	21:	--:	-21:	--:	--
Subtotal <u>2/</u>	555,469:	11,422:	676,664:	11,700:	(1): -57,975:	618,689:	11,100
Loan Program							
Expenses paid							
from revolving							
funds <u>3/</u>	(88,000):		(68,000):		(+5,463):	(73,463):	
Total Administrative							
Expenses.....	(643,469):		(744,664):		(-52,512):	(692,152):	
Transfers from							
Other Accounts (-)	530,998:	11,041:	654,063:	11,310:	59,176:	594,887:	10,660
Total (Estimate).....	24,471:	381:	22,601:	390:	+1,201:	23,802:	440
GRH Reduction.....	6:						
Total Appropriation..	<u>24,477:</u>						

1/ Includes Office of Administrator.

2/ Excludes reimburseables.

3/ Estimated non-recoverable loan costs administrative expenses paid out of revolving funds in FY 1991, liquidating accounts in FY 1992 and program accounts in FY 1993 as required by Credit Reform.

EXPLANATION OF PROGRAMS

This account is used to finance the operating expenses incurred in the administration of the programs of the Farmers Home Administration (FmHA). Beginning in FY 1992 the Agency will operate under the new Federal Credit Reform criteria. The funds available consists of direct appropriations; transfers from Rural Housing Insurance Fund Program Account, Agricultural Credit Insurance Fund Program Account, Rural Development Insurance Fund Program Account, Self-Help Housing Land Development Fund Program Account, and Rural Development Loans Program Account; allocations from the Soil Conservation Service; and miscellaneous reimbursements from other sources.

The principal activities of the Agency include the making and servicing of farm, housing, and rural development loans and grants.

The following is a brief description of some of the major management initiatives and accomplishments of FmHA:

NATIONAL APPEALS STAFF

The National Appeals Staff (NAS) of FmHA was established in July 1988. In FY 1991, NAS received over 8,400 appeal requests, an increase of 700 requests over FY 1990. Second level review requests for FY 1991 were 1,550. Substantial progress was made in eliminating the appeal review backlog. Over 1,400 review decisions were issued in FY 1991 compared with 450 for the previous FY.

AUTOMATION INITIATIVES

Resource Management System (RMS) - The RMS is FmHA's work measurement system which currently operates as a combined automated on-line and "hard copy" mail-based system. Agency automation has developed to the point that management information needs can be accommodated through totally automated data collection systems. Utilization of the Multi-Function Work Station will allow FmHA to replace the current RMS system with one that imposes a minimum of field office reporting and also eliminates redundant data. Revised work standards for FY 1991 have been completed. Revised work standards for FY 1992 and new work standards for the new Guaranteed Community Facilities and Guaranteed Water and Waste Programs are being developed. A cost-benefit analysis of data entry for RMS/FHAR [County Office Operating Report (COOR)] has been completed.

Strategic Information Resources Management Plan (IRM) - A five-year IRM Strategic plan to guide FmHA's automation program was approved by FmHA on August 1, 1991. It identified the significant automation efforts that will be undertaken over the next five years to achieve the Agency's IRM vision of having a better information system environment for operating and managing FmHA programs. This vision recognizes the need to provide, enhance, expand, or improve automation capabilities, or tools dealing with mainframe and personal computers, hardware, software, telecommunications and information sharing at the National, State, District, County and Finance Offices. To achieve this vision, FmHA identified the various types of automation actions that will be undertaken each year over the next five-year period to produce a better management information system.

Information Systems Plan (ISP) - The ISP is a three phase plan. Phase I is the definition phase. This phase was completed July 1991. It provided a high level description of the information requirements and information flows for all FmHA major functions. Phase II is the architecture phase. Phase II is currently underway and will be completed in January 1992. It will provide three information architectures. These architectures will serve as tools for improving data sharing for the program and administrative areas within FmHA as well as other government agencies. Phase III will provide tactical plans based on the team's recommendations of IRM-related projects in Phase II.

IRM Policies/Procedures -

FmHA Instruction 20006-T, is being revised and renamed, "Information Resources Management (IRM): Farmers Home Administration Systems Review Boards Program," to strengthen the review process and priority setting process for new and existing automated systems.

FmHA Instruction 20006-X, "Policies for Locally Developed Applications Software," establishes the Agency's policy concerning development and use of non-official FmHA software for local use. It was issued December 26, 1990.

FmHA Instruction 20006-Y, "Off-the-Shelf Software," establishes the Agency's policy concerning the use and purchase of off-the-self software. It was issued September 11, 1991.

Formal policies/instructions are being developed relative to Prelude and Acquisition of IRM Resources.

Standard and Practices Manual. The Standards and Practices Manual provides a source of standard procedures and guidelines for establishing, implementing and maintaining software development efforts for FmHA and/or the vendor community. It was distributed to all FmHA Managers.

Field Office Tracking System - Initial requirements identifying the immediate need for accurate and timely information on Litigation actions have been enhanced to include the tracking and reporting of specific information associated with initial loan application, appraisal, approval, servicing and litigation activities. The latest quarterly debt collection report from the General Counsel identified approximately 30,000 FmHA cases outstanding in the Department of Justice and Office of the General Council for an aggregate total of more than \$3 billion.

It is anticipated that this system will help provide accurate, consistent and timely information from the offices involved and will significantly decrease the impact of multiple special requests to gather this type of data in the future.

ADP Projects to Implement the Agricultural Credit Act of 1987 - This major automation initiative consists of 13 separate projects which implement the provision of the Agricultural Credit Act of 1987. During FY 1990, the capability to write down principal and interest under the debt restructuring program was implemented. The debt restructuring program includes the provisions for single family housing equity recapture, net recovery buyout agreements, and shared appreciation agreements. In addition, the capability to defer debt on farmer program loans for up to 5 years was implemented. Twelve of the projects have been implemented with the final project scheduled for implementation in calendar year 1992.

Acquired Property Systems Enhancements - This project was initiated to comply with General Accounting Office requirements concerning the accounting for the acquisition and sale of security property. This project also provided extensive data to National and State Office staffs to better manage inventory property. The final phase of this 5-phase project was implemented in February 1991.

Acquired Property Tracking System - Following the implementation of the Acquired Property System Enhancement, this project will further enhance the system to provide better managerial oversight of inventory property. Upon completion, the Acquired Property Tracking System will identify Farmer Programs properties subject to easements, as well as leaseback/buyback and homestead protection rights, identify Farmer Programs acquired properties targeted and sold to Socially Disadvantaged Applicants, identify Farmer Programs inventory properties located within boundaries of Federally Recognized Indian Reservations, identify Single Family Housing inventory properties leased, and identify additional nonaccounting data on leases. It is in the design stage at this time.

Interest Assistance for Guaranteed Loan Program - Beginning in FY 1991, FmHA implemented the new subsidized guaranteed program passed by Congress. A work group was formed that developed the program requirements for interest assisted guarantees for the Single Family Housing and Farmer Program loan programs utilizing the National Affordable Housing Act of 1990, legal advice from the Office of General Counsel, and Office of Management and Budget credit management guidelines. The program requirements are designed to encourage the participation of the private sector lending community, reach the target borrower group, and provide FmHA strong program management. Development of program regulations and automated systems changes have been underway based on the approved program requirements.

Federal Credit Reform Act of 1990 - This project was initiated to comply with the Federal Credit Reform Act of 1990. The intent of Credit Reform is to institute a consistent basis of measuring and reporting the costs of cash and credit transactions so proper budgetary decisions on the use of financial resources can be made. The systems modifications required for initial implementation of Credit Reform were implemented for loan restructures and recoverable cost item processing under Credit Reform are scheduled to be implemented during fiscal year 1992. Additional automation requirements for Credit reform are being defined for implementation in fiscal year 1992 and beyond.

Oracle Baseline Conversion - Currently FmHA is using version 5 of the Oracle software for all our newly developed database applications. Converting to version 6 of the Oracle software is projected to take place mid to late FY 1992. This will afford us greater development capabilities, systems flexibility and security for all our existing and future database applications.

The Administrative Integrated Management System (AIMS) - The Department of Agriculture (USDA) conducted a study on how to modernize and streamline all its administrative processes, the findings of the study, were used as the blueprint for the AIMS project. AIMS is an Oracle database management systems (DBMS) development project of USDA that will replace the 41 stand-alone mainframe systems run by the National Finance Center (NFC) for the department's administrative processing. This development will be a total integrated corporate database designed to eliminate data redundancy and be the forerunner to the total electronic paperless office environment with complete data sharing.

FmHA is one of the three pilot agencies involved in the initial design and implementation of the AIMS system. The business modeling for phase one, step one (first 11 systems) has been completed. This design will cover the small procurement and budgetary systems. The software development for phase one, step one is expected to be completed and in field piloting by October 1992. FmHA has already begun the business modeling for phase one, step two of the AIMS design. It is projected that the total AIMS system will be in place by the end of FY 1996.

Centralized Help Desk Support - Much progress has been made toward the establishment of a Centralized Help Desk which will receive incoming calls regarding ADP related problems from FmHA personnel nationwide. This centralized Help Desk will ultimately replace the distributed help desk structure throughout the States thus providing a more cost effective and reliable source of support for FmHA's workforce. Installation of the required telephone system to handle extensive traffic will be completed by December 1991. Full staffing and specialized training will continue through December 1991. A pilot implementation phase is targeted for March 1992, followed by implementation by August 1992.

Improved Processing Capacity - Computer equipment in all County and District Offices have been upgraded to the AT&T 3B2/EXPs, which are equivalent to the 3B2/600G/1000s. The 3B2/EXP significantly expands processing capacity. In addition, it sets the stage for implementation of the new field office architecture based on Local Area Network (LAN) technology and the FTS 2000 telecommunications network in the future.

National Office 6386 Installation- FmHA's efforts to improve its National Office computer capabilities by installing the new workstations based on Intel 386 technology was completed in May of 1991. The effort to upgrade and reduce the number of 3B2's was completed in June of 1991.

Management Records System (MRS) - MRS continues to be operated as a state-wide pilot in South Carolina as well as five additional sites in Georgia, Kentucky, Ohio, North Carolina and Washington. The system has been modified based on several recommendations from the user community. In addition, the system has been enhanced to include the daily download of payments for Rural Housing borrowers. The task force of four State Directors have made their recommendation to the Administrator. The system will be enhanced to archive records and allow for viewing of reports.

County Office Automations (COA) - This long-term effort will automate the daily operations of the County Office personnel. Activities have been identified in the Information Architecture Plan (IAP) which is an information model of a typical county office. This model will be used as a source information for the automated applications developed for the county office. The IAP was completed by the COA Task Force in next phase in the Life Cycle Development which is the Requirements Analysis.

Automated Filed Management System (AFMS) Menu System - In order to provide the users with a standard method for accessing software applications, the AFMS Menu System has been modified. The Menu System has been developed for the County, District, and State Offices. As new applications are developed, the Menu System will be updated and released in conjunction with the new applications. The AFMS Menu System is scheduled for release November 1991.

3B2 Permissions Security Diskette - In order to provide adequate security for remote communications between 3B2 minicomputers, a risk analysis was conducted. Upon completion of the analysis, a security application was developed to prevent unsolicited access but; does not inhibit the remote communications' ability among the Agency's 3B2 minicomputers. This security diskette has been distributed to all National Office System Administrators and distribution will continue on a nation-wide bases.

Debt and Loan Restructuring System (DALR\$) - DALR\$ is designed to aid the County Office Staff in determining debt restructuring options for Farmer Programs borrowers under both the Agricultural Credit Act of 1987 and the Food, Agriculture, Conservation and Trade (FACT) Act of 1990. During the past year, the DALR\$ system was modified to include revisions required as a result of the FACT Act. In compliance with the FACT Act, the DALR\$ system was modified to allow a Farmer Programs borrower a "once in a lifetime" limitation on debt write down or write off of \$300,000. Additional modifications and enhancements made to the DALR\$ system are: removal of non-capitalized interest (all interest is now capitalized), additional edit checks, revisions and additions to the Summary reports, revisions and additions to the Help and Tutorial screens, new calculations, updates and changes to data entry screens, and the ability to input Limited Resource Rates and Water and Soil Loans.

Farm and Home Plan Application (FHP)- FHP was the first Oracle database application to be distributed to 1,800 County Offices nationwide. This application will help evaluate a borrower's loan classification with regard to Farmer Program loans. Testing of the software by th FHP Task Force and the pilot sites was completed in April 1991. After final revisions, the software was distributed to the field in August 1991. Extensive training was imparted to representatives from each State who in turn trained the field offices. To date, FHP has been successfully installed and is in use at a majority of sites. Phase two of this automation effort is now underway. It involves the automation of Credit and Financial Analysis Worksheets that will aid the County Supervisors in making informed decisions on the soundness of a loan by using historical data and other evaluation techniques. The functional requirements for this effort are almost complete. The final product is expected to be delivered in the Spring of 1992.

Multiple Housing Tenant File System (MTFS) - MTFS version 3.0 was the first Oracle based system to be implemented in the District Offices on a nationwide basis. Two additional versions of the software have been released to the field during 1991. MTFS version 3.1 provided additional functionality and was delivered to the field offices in February 1991. MTFS version 4.0 provides major modification to include new calculations for a legislative requirement (HR-1, Occupancy Surcharge). Version 4.0 will be released to the field in November 1991 to coincide with the effective date of the regulation (December 1, 1991).

District Office Automation (DOA) - This long term effort will automate the loan processing and servicing functions of District Office staffers in the areas of Community and Business Programs and Multi-Family Housing Programs. The Requirements Analysis has been completed and the development effort is scheduled to start by December 1991. The District Office Automation development will have users and developers working side by side employing the Rapid Applications Development methodology where the system is developed using a progressive set of prototypes that the users approve after each major development stage.

Multiple Housing Tenant File System Industry Interface - This project will establish a method to transfer data, either electronically or on magnetic media, from FmHA clients (borrowers) to the FmHA field offices. The project was initiated to reduce the workload of the field offices and to improve the accuracy of information stored in FmHA databases. This effort covers automating the data entry of information manually entered from paper forms. The Requirements Analysis for this project is scheduled to be completed in December 1991.

CASE TRACKING SYSTEM

A case tracking system is being developed to provide States the capability of tracking a case from acceptance of application through liquidation. The Agency is evolving into a more specialized organization with County and District Offices being supplemented with specialized staffs including appraisal and second level loan review. This involves the movement of the case file and a need to track the location of the file and the time it has been in a given office.

The system is also being designed to provide an automated means for tracking cases which have left the Agency for litigation and other legal purposes. This will provide the Agency with more accurate data on cases in litigation for improved asset management and reporting.

FARMERS HOME ADMINISTRATION
JUSTIFICATION OF INCREASES AND DECREASES

(1) A net decrease of \$57,975,000 for the administration of loan and grant programs consisting of:

(a) A decrease of \$22,465,000 and 600 staff years in salaries and benefits.

Need for Change. The Agency proposes to reduce staff resources by 600 staff years. As guarantee authority is substituted for direct loan making, the total number of loans in the portfolio will continue to decline from the historically high levels of the mid 1980s. The principal outstanding on direct loans has declined from \$65.8 billion in 1986 to a level of \$51.4 billion in 1991. As the direct loan portfolio has decreased, the intense workload of loan servicing has been reduced.

Nature of Change. The Agency proposes a staff year ceiling of 11,102 for FY 1993. This ceiling does not include resources for the Rural Development Administration authorized under P.L. 101-624 and P.L. 102-237. It is anticipated that some offices can be consolidated to provide more efficient service and that specialization in some loan making and servicing functions can improve service at a lower overall cost and reduced staffing level.

(b) An increase of \$7,689,000 for pay costs.

Need for Change. This item of increase is needed to partially fund mandatory pay increases for the requested staff level of 11,102 totaling \$16,363,000 (\$12,182,000 for three fourths of the FY 1993 pay raise and \$4,181,000 for annualization of the FY 1992 pay cost increase).

Nature of Change. The request represents \$4,181,000 for annualization of FY 1992 pay costs and a portion of the FY 1993 pay increase.

(c) A decrease of \$32,808,000 for automated data processing (ADP).

Need for Change. There is currently underway a thorough review of FmHA's entire ADP program to determine the most efficient and effective way for providing these short and long range services. Pending the results of this study, only a limited level of activity will be planned above ongoing expenses. As major new initiatives are planned, resources will be requested in subsequent budget submissions.

Nature of Change. The ADP budget includes reductions for: (1) Replacement and new equipment, (2) Systems development and redesign, (3) Communications, (4) One time costs for FY 1992 automation initiatives and other miscellaneous costs.

(d) A decrease of \$3,000,000 for field leases.

Need for Change. With the proposed reduction in staffing, the Agency will be able to reduce lease costs in FY 1993 by \$3,000,000.

Nature of Change. The lease reduction would not significantly affect the Agency's ability to carry out its programs. Some smaller, offices may be closed or consolidated with larger offices.

(e) A decrease of \$4,000,000 in travel costs.

Need for Change. As the Agency streamlines its field offices and with the proposed reduction of 600 staff years, travel needs will be reduced.

Nature of Change. The travel reduction will be effected to coincide with the Agency's reduction in staff, workload, and number of field offices.

(f) A decrease of \$3,391,000 in non-recurring contracts and other planned reductions.

Need for Change. Initiatives from prior years which can be reduced or terminated include the nationwide escrowing project and other items which provide savings for the FY 1993 Budget.

Nature of Change. As operations are streamlined and projects and activities from prior years are completed, these savings can be used to meet overall budget objectives.

FARMERS HOME ADMINISTRATION

Positions Filled, Staff-Years and Average
Grade and Salary by Organizational Unit

Organizational Unit	Positions Filled at End of Year		Staff- Years	Permanent	Full-time
	Permanent Full-Time	Other		Average Grade	Average Salary
<u>FISCAL YEAR 1991:</u>					
National Office	489	34	505	10.70	39,900
Finance Office and Field Support	935	75	1,005	7.72	26,600
State Offices	1,586	78	1,721	9.55	32,900
District Offices	690	48	1,323	8.33	28,700
County Offices	<u>7,068</u>	<u>2,497</u>	<u>7,278</u>	<u>7.32</u>	<u>25,220</u>
Total, FmHA	10,768	2,732 <u>1/</u>	11,832	7.87	27,150
<u>FISCAL YEAR 1992:</u> (estimate)					
National Office	490	35	508	10.70	41,500
Finance Office and Field Support	990	60	1,040	7.72	27,700
State Offices	1,563	100	1,646	9.55	34,300
District Offices	662	92	744	8.10	29,100
County Offices	<u>7,195</u>	<u>3,143</u>	<u>8,221</u>	<u>7.32</u>	<u>26,280</u>
Total, FmHA	10,900	3,430 <u>1/</u>	12,159	7.87	28,290
<u>FISCAL YEAR 1993:</u> (estimate)					
National Office	466	33	482	10.60	42,800
Finance Office and Field Support	950	57	1,000	7.72	28,720
State Offices	1,484	95	1,561	9.55	35,570
District Offices	629	87	694	8.10	30,200
County Offices	<u>6,831</u>	<u>2,983</u>	<u>7,822</u>	<u>7.32</u>	<u>27,250</u>
Total, FmHA	10,360	3,255 <u>1/</u>	11,559	7.87	29,340

1/ Includes non-ceiling employees such as Stay-in-School:
FY 1991, 385; and FY 1992, 350, FY 1993, 350.

FARMERS HOME ADMINISTRATION
Salaries and Expenses
Obligations by Organizational Unit 1/
(in thousands rounded)

<u>Organizational Unit</u>	<u>Obligations</u>			
	<u>Personnel Comp. and Benefits</u>	<u>Travel</u>	<u>All Other</u>	<u>Total</u>
<u>FISCAL YEAR 1991:</u>				
National Office	\$27,190	\$1,446	\$6,867	\$35,503
Finance Office and Field Support	36,095	1,187	11,665	48,947
State Offices	65,343	7,162	16,447	88,952
District Offices	50,137	3,978	2,856	56,971
County Offices	<u>222,625</u>	<u>8,736</u>	<u>88,614</u>	<u>319,975</u>
Total, FmHA	401,390	22,509	126,449	550,348
Less Allocations from other accounts	<u>-78,751</u>	<u>-6,572</u>	<u>-42,214</u>	<u>-127,537</u>
Total, S&E, FmHA	<u>322,639</u> -----	<u>15,937</u> -----	<u>84,235</u> -----	<u>422,811</u> -----
<u>FISCAL YEAR 1992: (estimate)</u>				
National Office	29,031	1,500	10,800	41,331
Finance Office and Field Support	41,000	1,650	17,950	60,600
State Offices	67,232	10,765	26,813	104,810
District Offices	29,326	5,704	3,407	38,437
County Offices	<u>273,099</u>	<u>12,297</u>	<u>146,777</u>	<u>432,173</u>
Total, FmHA	439,688	31,916	205,747	677,351
Less Allocations from other accounts	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total, S&E, FmHA	<u>439,688</u> -----	<u>31,916</u> -----	<u>205,747</u> -----	<u>677,351</u> -----
<u>FISCAL YEAR 1993: (estimate)</u>				
National Office	27,473	1,430	10,600	39,503
Finance Office and Field Support	40,400	1,332	17,260	58,992
State Offices	66,269	9,171	20,679	96,119
District Offices	28,906	4,859	2,628	36,393
County Offices	<u>270,341</u>	<u>10,513</u>	<u>107,515</u>	<u>388,369</u>
Total, FmHA	433,389	27,305	158,682	619,376
Less Allocations from other accounts	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total, S&E, FmHA	<u>433,389</u> =====	<u>27,305</u> =====	<u>158,682</u> =====	<u>619,376</u> =====

1/ Includes reimbursable obligations.

FARMERS HOME ADMINISTRATION AND RURAL DEVELOPMENT ADMINISTRATION a/
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993
Salaries and Expenses

	1991 Staff Years	1991 Actual	1992 Staff Years	1992 Estimate	1993 Staff Years	1993 Estimate
ALABAMA.....	269	12,954,177	279	16,203,349	269	15,014,578
ALASKA.....	25	1,203,920	28	1,626,143	25	1,395,407
ARIZONA.....	110	5,297,247	113	6,562,647	107	5,972,341
ARKANSAS.....	360	17,336,444	357	20,733,317	350	19,535,696
CALIFORNIA.....	258	12,424,452	262	15,216,048	251	14,009,885
COLORADO.....	122	5,875,128	119	6,911,106	119	6,642,137
CONNECTICUT.....	24	1,155,763	26	1,509,989	23	1,283,774
DELAWARE.....	50	2,407,840	52	3,019,979	49	2,734,997
FLORIDA.....	198	9,535,044	209	12,137,992	194	10,828,357
GEORGIA.....	312	15,024,918	326	18,932,945	303	16,912,331
HAWAII.....	46	2,215,212	51	2,961,902	46	2,567,549
IDAHO.....	168	8,090,341	170	9,873,008	163	9,098,053
ILLINOIS.....	310	14,928,605	324	18,816,792	302	16,856,515
INDIANA.....	247	11,894,727	249	14,461,053	240	13,395,906
IOWA.....	371	17,866,169	395	22,940,225	362	20,205,491
KANSAS.....	211	10,161,083	209	12,137,992	205	11,442,336
KENTUCKY.....	324	15,602,800	335	19,455,634	315	17,582,126
LOUISIANA.....	312	15,024,918	314	18,236,027	303	16,912,331
MAINE.....	165	7,945,870	176	10,221,467	160	8,930,604
MARYLAND.....	61	2,937,564	62	3,600,744	59	3,293,160
MASSACHUSETTS.....	70	3,370,975	73	4,239,586	68	3,795,507
MICHIGAN.....	271	13,050,490	283	16,435,655	265	14,791,313
MINNESOTA.....	315	15,169,389	314	18,236,027	306	17,079,780
MISSISSIPPI.....	511	24,608,120	536	31,129,014	496	27,684,872
MISSOURI.....	377	18,155,110	366	21,256,006	368	20,540,389
MONTANA.....	125	6,019,599	135	7,840,330	123	6,865,402
NEBRASKA.....	219	10,546,337	219	12,718,757	213	11,888,866
NEVADA.....	27	1,300,233	31	1,800,372	26	1,451,223
NEW HAMPSHIRE.....	43	2,070,742	38	2,206,908	42	2,344,284
NEW JERSEY.....	99	4,767,522	103	5,981,881	96	5,358,362
NEW MEXICO.....	115	5,538,031	106	6,156,111	112	6,251,423
NEW YORK.....	280	13,483,901	273	15,854,889	272	15,182,027
NORTH CAROLINA.....	450	21,670,556	449	26,076,357	439	24,503,344
NORTH DAKOTA.....	230	11,076,062	237	13,764,135	225	12,558,662
OHIO.....	242	11,653,943	243	14,112,594	235	13,116,824
OKLAHOMA.....	296	14,254,410	299	17,364,879	288	16,075,087
OREGON.....	131	6,308,539	139	8,072,636	127	7,088,667
PENNSYLVANIA.....	242	11,653,943	245	14,228,747	235	13,116,824
RHODE ISLAND.....	22	1,059,449	20	1,161,530	21	1,172,142
SOUTH CAROLINA.....	264	12,713,393	282	16,377,578	257	14,344,782
SOUTH DAKOTA.....	230	11,076,062	247	14,344,900	225	12,558,662
TENNESSEE.....	344	16,565,936	351	20,384,858	336	18,754,268
TEXAS.....	545	26,245,451	558	32,406,697	530	29,582,625
UTAH.....	104	5,008,306	107	6,214,187	101	5,637,444
VERMONT.....	85	4,093,327	89	5,168,810	83	4,632,751
VIRGINIA.....	267	12,857,863	270	15,680,660	261	14,568,048
WASHINGTON.....	140	6,741,951	145	8,421,095	136	7,591,013
WEST VIRGINIA.....	154	7,416,146	159	9,234,166	150	8,372,441
WISCONSIN.....	301	14,495,194	307	17,829,491	294	16,409,985
WYOMING.....	81	3,900,700	85	4,936,504	79	4,409,486
PUERTO RICO.....	207	9,968,456	221	12,834,911	200	11,163,255
TRUST TERRITORIES..	20	963,136	21	1,219,607	19	1,060,509
VIRGIN ISLANDS.....	10	481,568	10	580,765	10	558,163
SUBTOTAL.....	10,760	518,167,061	11,017	639,829,000	10,483	585,122,000
NATIONAL OFFICE....	614	42,253,000	602	49,800,000	576	48,180,000
FIN.OFF.& FLD SPPRT	953	48,947,000	1,008	60,600,000	968	58,992,000
TOTAL AVAIL. EST.	12,327	609,367,061	12,627	750,229,000	12,027	692,294,000

NOTE: Does not include non-ceiling staff-years.

a/ Rural Development Administration cannot be broken down by State at this time.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include proposed changes in language as follows (new language underscored; deleted matter enclosed in brackets):

Agricultural Credit Insurance Fund Program Account:

- 1 For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: [farm ownership loans, \$555,500,000, of which \$488,750,000 shall be for guaranteed loans; operating loans, \$2,832,140,000, of which \$1,800,000,000 shall be for unsubsidized guaranteed loans and \$182,140,000 shall be for subsidized guaranteed loans; \$7,000,000 for water development, use, and conservation loans, of which \$1,500,000 shall be for guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$1,000,000;] for emergency insured [and guaranteed] loans, [\$600,000,000] \$100,000,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, \$200,000,000.] \$125,000,000. [Provided, That loan funds made available herein shall be completely allocated to the States and made available for obligation in the first two quarters of fiscal year 1992.]
- 2
- 3 For [an amount, for] the cost[, as defined in section 13201 of the Budget Enforcement Act of 1990,] of direct and guaranteed loans, including the cost of modifying loans[, of direct and guaranteed loans] as defined in section
- 4 502 of the Congressional Budget Act of 1974, as follows: [Farm ownership loans, \$39,786,000, of which \$24,545,000 shall be for guaranteed loans; operating loans, \$168,277,000, of which \$22,455,000 shall be for unsubsidized guaranteed loans and \$15,350,000 shall be for subsidized guaranteed loans; \$499,000 for water development, use, and conservation loans, of which \$43,000 shall be for guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$253,000;] for emergency insured [and guaranteed] loans, [\$55,000,000] \$26,750,000 to meet the needs resulting from natural disasters; [for watershed, flood and resource conservation loans, \$2,000;] and for credit sales of acquired property, \$59,880,000.] \$31,825,000: Provided, That such sums are to remain available through fiscal year 1997 for the disbursement of loans obligated in fiscal year 1993: Provided further, That such sums obligated in fiscal year 1992 are to remain available through fiscal year 1997 for the disbursement of loans obligated in fiscal year 1992.
- 5

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$230,179,000] \$240,606,000.

- 6 [Hereafter, no funds in this Act or any other Act shall be available to carry out loan programs under the Agricultural Credit Insurance Fund at levels other than those provided for in advance in appropriation acts.]

The first change deletes language which is not required. These programs are provided for in the Omnibus Budget Reconciliation Act of 1990.

The second change deletes previous language because the language does not permit the Agency to maintain a reserve to fund hardship cases and to plan for funding throughout the year.

The third change substitutes legal reference for the appropriation subsidy costs to the original legislation, as amended.

The fourth change deletes language which is not required. These programs are provided for in the Omnibus Budget Reconciliation Act of 1990.

The fifth change provides language which will allow for the disbursement of FY 1993 obligated subsidy to the financing accounts beyond the five-year limitation set forth in P.L. 101-510, the National Defense Authorization Act for 1991. Similarly, new language is proposed that will allow for the disbursement of FY 1992 obligated subsidy to the financing accounts beyond the five-year limitation. This is necessary so that funds will remain available to disburse portions of loans approved for an additional two fiscal years.

The sixth change deletes previous legal reference.

AGRICULTURAL CREDIT INSURANCE FUND

The 1993 Budget reflects the credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. Loan levels are included in the appropriation language requested for the subsidy amount for FY 1993. The appropriation language also specifies the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the net present value of estimated cash flows over the lifetime of the loans; whereas outlays represent the portion of the subsidy related to the loan amounts disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a "financing account" and is considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for pre-credit reform portfolios of loans are reflected in the Budget in "liquidating accounts" and are calculated as before, to represent disbursements, borrower repayments and payments, Federal Financing Bank repayments and Treasury loan repayments.

(a) Agricultural Credit Insurance Fund - Liquidating Account

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, the pre-credit reform revolving fund account will be referred to as a liquidating account. No new loans and no administrative expenses will be charged to it after FY 1991. The liquidating account will be used to liquidate the loans made prior to FY 1992, as long as the terms and conditions of these loans do not change. Activity of this account will include loan disbursements, collections of interest, loan repayments and prepayments, payments of interest to Treasury and the Federal Financing Bank, proceeds from the sale of acquired property, fees, and other revenues and expenses related to obligations and commitments made prior to FY 1992. Although FY 1991 actual activity is included in the sections that follow, it is provided for comparability purposes only.

Under Credit Reform, the liquidating account will utilize permanent indefinite appropriations in such amounts as may be required to meet cash needs during any fiscal year.

(b) Agricultural Credit Insurance Fund Program Account
(On basis of loan level, subsidy, and administrative expense
in the Appropriation Act)
(in thousands of dollars)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expense</u>
Amount, FY 1992.....	\$4,194,640	\$323,442	\$230,179
Amount, FY 1993.....	2,877,000	194,729	240,606
Increase or Decrease in Amount.....	<u>-1,317,640</u>	<u>-128,713</u>	<u>+10,427</u>

PROJECT STATEMENT
(On basis of loan levels, subsidies and
administrative expenses in the Appropriation Act)
(In thousands of dollars)

Item of Change	1991 Actual	1992 Appropriated	Increase or Decrease	1993 Estimated
Farm ownership loans:				
Direct loans.....	\$57,139	\$66,750	\$-38,850 (1)	\$27,900
Direct loan subsidy.....	0	15,241	-9,797	5,444
Guaranteed loans unsubsidized:	326,223 a/	488,750	-188,750 (2)	300,000
Guaranteed unsubsidized loan subsidy.....	0	24,545	-11,915	12,630
Guaranteed loans subsidized..	39,289	500 a/	61,600 (3)	62,100
Guaranteed subsidized loan subsidy.....	0	101 a/	10,493	10,594
Farm operating loans:				
Direct loans.....	489,900	850,000	-535,900 (4)	314,100
Direct loan subsidy.....	0	130,472	-83,060	47,412
Guaranteed loans unsubsidized:	864,167 a/	1,800,000	-550,000 (5)	1,250,000
Guaranteed unsubsidized loan subsidy.....	0	22,455	-7,326	15,129
Guaranteed loans subsidized..	176,388	181,640 a/	516,260 (6)	697,900
Guaranteed subsidized loan subsidy.....	0	15,249 a/	29,696	44,945
Emergency disaster loans:				
Direct loans.....	81,402	600,000	-500,000 (7)	100,000
Direct loan subsidy.....	0	55,000	-28,250	26,750
Soil and water loans:				
Direct loans.....	4,968	5,500	-5,500 (8)	0
Direct loan subsidy.....	0	456	-456	0
Guaranteed loans.....	531	1,500	-1,500 (8)	0
Guaranteed loan subsidy.....	0	43	-43	0
Credit sales of acquired property:				
Direct loans.....	58,639	200,000	-75,000 (9)	125,000
Direct loan subsidy.....	0	59,880	-28,055	31,825
Administrative expense..b/.....	184,239	230,179	10,427	240,606
Total:				
Direct loans(non OBRA).....	145,009	805,500	-580,500	225,000
Direct loan subsidy(non OBRA):	0	115,336	-56,761 (10)	58,575
Direct loans (OBRA).....	547,039	916,750	-574,750	342,000
Direct loan subsidy (OBRA)...	0	145,713	-92,857 (10)	52,856
Guaranteed loans unsubsidized: (non OBRA).....	531	1,500	-1,500	0
Guaranteed unsubsidized loan subsidy(non OBRA).....	0	43	-43 (11)	0
Guaranteed loans unsubsidized: (OBRA).....	1,190,390	2,288,750	-738,750	1,550,000
Guaranteed unsubsidized loan subsidy (OBRA).....	0	47,000	-19,241 (11)	27,759
Guaranteed loans subsidized (OBRA).....	215,677	182,140	577,860	760,000
Guaranteed subsidized loan subsidy (OBRA).....	0	15,350	40,189 (11)	55,539
Administrative expense.....	184,239	230,179	10,427 (12)	240,606
Total:				
Loans.....	2,098,646	4,194,640	-1,317,640	2,877,000
Subsidy.....	0	323,442	-128,713	194,729
Administrative expense.....	184,239	230,179	10,427	240,606

Staff-years are reflected in the Salaries and Expenses Project Statement.

Note: GRH reduction in FY 1991 was \$8,000 for direct loans and \$20 for guaranteed loans.

a/ The Agricultural Credit Act of 1987 provides that the Secretary may transfer such amounts as may be necessary from farm operating guaranteed loans to farm ownership guaranteed loans. The Agency transferred \$250 million in fiscal year 1991 and \$500,000 in fiscal year 1992. Also, in fiscal year 1992, \$101,000 in subsidy was transferred.

b/ The FY 1991 actual and FY 1992 estimated administrative expenses are not directly comparable to the FY 1993 estimate. Of the \$240,606,000 for administrative expenses in FY 1993, \$211,673,000 will be transferred to Salaries and Expenses and \$28,933,000 will be retained for obligations of program related non-recoverable costs.

PROJECT STATEMENT

(On basis of 1992 loan levels and subsidies supportable
under 1992 Appropriation Act)
(In thousands of dollars)

Project	1992 Appropriated	Increase or Decrease	1992 Current Estimate
Farm ownership loans:			
Direct loans.....	\$66,750	\$-932	\$65,818
Direct loan subsidy.....	15,241	0	15,241
Guaranteed loans unsubsidized.....	488,750	0	488,750
Guaranteed unsubsidized loan subsidy.....	24,545	-987	23,558
Guaranteed loans subsidized.....	500	0	500
Guaranteed subsidized loan subsidy.....	101	0	101
Farm operating loans:			
Direct loans.....	850,000	-114,784	735,216
Direct loan subsidy.....	130,472	0	130,472
Guaranteed loans unsubsidized.....	1,800,000	-304,078	1,495,922
Guaranteed unsubsidized loan subsidy.....	22,455	0	22,455
Guaranteed loans subsidized.....	181,640	0	181,640
Guaranteed subsidized loan subsidy.....	15,249	-3,506	11,743
Emergency disaster loans:			
Direct loans.....	600,000	-496,000	104,000
Direct loan subsidy.....	55,000	-33,930	21,070
Soil and water loans:			
Direct loans.....	5,500	-3,521	1,979
Direct loan subsidy.....	456	0	456
Guaranteed loans.....	1,500	0	1,500
Guaranteed loan subsidy.....	43	-1	42
Credit sales of acquired property:			
Direct loans.....	200,000	0	200,000
Direct loan subsidy.....	59,880	0	59,880

EXPLANATION OF PROGRAM

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations and guaranteed loan commitments of this account in FY 1992 and beyond. Subsidy amounts are obtained by estimating the difference between the Government's cash disbursements and the net present value of the Government's cash inflows resulting from direct and guaranteed loans made through this account. For 1993, \$567,000,000 in direct loan authority and \$2,310,000,000 in guaranteed loan authority are proposed. The associated lifetime subsidy costs of these loans are estimated to be \$111,431,000 and \$83,298,000 respectively.

The Agricultural Credit Insurance Fund and its associated loan programs are authorized by title III of the Consolidated Farm and Rural Development Act, as amended. This fund is used to insure or guarantee farm ownership, soil and water, farm operating and emergency loans.

Public Law 92-419, approved August 30, 1972, abolished the Farmers Home Administration Direct Loan Account and the Emergency Credit Revolving Fund and provided for transfer of the assets and liabilities of, and authorizations applicable to, these accounts to the Agricultural Credit Insurance Fund. It also provided for transfer from the Agricultural Credit Insurance Fund to the Rural Development Insurance Fund of the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities. In addition, grazing, recreation, irrigation, forestry, Indian land acquisition, watershed, flood prevention, resource conservation and development and water facility loans have been transferred from the Agricultural Credit Insurance Fund to the Rural Development Insurance Fund.

Real Estate Loans

Subtitle A of the Consolidated Farm and Rural Development Act contains the authorizations for farm ownership loans, recreation loans, and soil and water loans to individuals, and to farm cooperatives and private domestic corporations and partnerships that are controlled by farmers and ranchers, engaged primarily and directly in farming or ranching in the United States. Soil and water and recreation loans are each contained as separate types of loans because the law sets forth eligibility requirements for these loans that differ somewhat from the eligibility requirements for farm ownership loans. In most respects, however, soil and water, recreation, and farm ownership loans are subject to similar authorizations and limitations but not purposes. Direct loan borrowers are required to graduate to other credit sources when they are able to do so.

Farm Ownership Loans.

Farm ownership loans are used for:

1. Maintaining family farms: Farm ownership loans help owner-operators restructure their debts, including those who are highly leveraged who utilize their real estate equities to refinance heavy short-term debts. In other instances, the owner-operators use real estate credit and assistance to make further adjustments in their operations, to comply with local sanitation and pollution abatement requirements, to keep up with advances in agricultural technology, to better utilize their land and labor resources and to meet changing market requirements. Farm ownership loans may be used to finance income producing recreational enterprises or other nonfarm enterprises which supplement but do not supplant farm income.

2. Purchase and development of farms: One of the functions of the farm ownership loan program is to assist farmers, especially beginning farmers, in the purchase and enlargement of farms. Applicants eligible for these loans may use this assistance for combining small tracks of land, making basic soil improvements, establishing permanent pastures, improving dwellings and essential farm buildings, developing land and water, controlling pollution, producing or saving energy, adding a nonfarm enterprise and taking other measures to increase the efficiency and income-producing capacity of their holdings.

Farm ownership loans are made to eligible individuals, cooperatives, corporations, partnerships or joint operators who (1) have sufficient training or farm experience to assure reasonable prospects of success in the proposed operation, (2) are or will become owner-operators of not larger than family-size farms, and (3) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near where the applicant resides for loans for similar purposes and periods of time.

Loans are made for 40 years or less. A direct loan may not exceed \$200,000 and a guaranteed loan may not exceed \$300,000. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to one percent additional. However, loans to limited resource borrowers bear interest of not more than one-half of the Treasury rate for marketable obligations with maturities of five years plus not more than one percentage point, with a minimum floor of five percent. The applicable interest rate is increased by two percent if the project being financed involves the use of prime farm land for nonfarm purposes. The interest rate for guaranteed loans is negotiated by the lender and the borrower and may be subsidized under the interest buy-down program. In addition, the interest rate buy-down program may also be sufficient to allow moderate-income borrowers to move from the direct loan program to the guaranteed loan program.

Soil and Water Loans. Soil and water loans are made to individuals, cooperatives, corporations, partnerships or joint operators who own and/or operate a farm. Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms prevailing in the community where the farm is located. The loans may be made for soil conservation, development and use; forestation; drainage of farmland; establishment of permanent pasture; pollution control and energy saving measures. The loan limit is \$200,000 for a direct loan and \$300,000 for a guaranteed loan. The repayment period may be up to 40 years. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to one percent additional. The interest rate is increased by two percent if the project being financed involves the use of prime farmland for nonfarm purposes. Guaranteed loans bear an interest rate negotiated by the lender and the borrower.

Operating Loans

Subtitle B of the Consolidated Farm and Rural Development Act contains the authorization for direct and guaranteed operating loans. Operating loans made by the Farmers Home Administration are accompanied by supervisory assistance in farm and financial management. Operating credit is targeted to family farmers throughout the United States, who are unable to obtain credit from private and cooperative sources, to develop or maintain a reasonable standard of living. The use of operating loan funds for this purpose helps provide opportunity for farm operators to conduct successful farm operations.

Loans are made to assist (1) full-time and part-time operators to continue in agriculture and to improve their farm and home operations, (2) part-time farm

operators to convert their farming operations to full-time and to improve their income and level of living while continuing to live in rural areas, (3) young farmers who lack the necessary credit to acquire the resources needed for success, and (4) rural youths.

Operating loans are made to individuals, partnerships, corporations, cooperatives or joint operators who operate not larger than family-size farms or ranches, who (1) have sufficient training or farm experience to assure reasonable prospects of success in the proposed operation, (2) are or will become operators of not larger than family farms, except for rural youths, and (3) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near where the applicant resides, for loans for similar purposes and periods of time.

Operating loans may be made for paying costs incident to reorganizing a farming system for more profitable operations; purchasing livestock, poultry and farm equipment; purchasing feed, seed, fertilizer, insecticides, and farm supplies and meeting other essential operating expenses; financing land and water development, use, and conservation; developing recreation and other nonfarm enterprises; and refinancing existing indebtedness.

The loan limit is \$200,000 for a direct loan and \$400,000 for a guaranteed loan. Operating loans may be scheduled for payment over periods from 1 to 7 years depending on loan purposes. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to one percent additional. However, loans to limited resource borrowers bear interest of not more than one-half of the Treasury rate for marketable obligations plus not more than one percentage point, with a minimum floor of five percent. The interest rate is increased by two percent if the project being financed involves the use of prime farm land for nonfarm purposes. The interest rate for guaranteed loans is negotiated by the lender and the borrower and may be subsidized under the interest buydown program. In addition, the interest rate buy-down program may also be sufficient to allow moderate-income borrowers to move from the direct loan program to the guaranteed loan program.

Direct loan borrowers are encouraged to supplement their operating loans with credit from other sources when this is feasible. They are required to graduate to other credit sources when able to do so.

Emergency Disaster Loans

Emergency loans are made available in designated areas (counties) and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Areas may be declared by the President or designated for emergency loan assistance by the Secretary of Agriculture.

Emergency loans are made to established, eligible, family size farmers, ranchers and aquaculture operators. Partnerships and private domestic corporations and cooperatives may also qualify, providing they are primarily engaged in agricultural or aquacultural production. Loans may be made only for actual losses arising from natural disasters. A farmer who cannot receive credit elsewhere is eligible for an actual loss loan of up to \$500,000 or the calculated actual loss, whichever is less, for each disaster at an interest rate of four and one-half percent. P.L. 102-229 Supplemental Appropriations Bill for FY 1992 waived the requirement that applicants for emergency loans must have crop insurance for 1991 crops.

Actual loss loans may be made for physical losses to repair, restore or replace damaged or destroyed farm property, livestock and livestock products, and

supplies, and for production losses to compensate for loss of income based on reduced production of crops and/or livestock products resulting from the disaster. Eligible farmers may use actual loss loan funds to purchase livestock, poultry, or other animals and pay costs incident to reorganizing a farming system to make it a sound operation. The reorganized farming operation, however, must be approximately equivalent in earning capacity to the operation conducted prior to the disaster. Under certain conditions, loan funds may be used to buy essential home equipment and furnishings and for limited refinancing of debts.

Repayment terms for actual loss loans vary according to the purposes of the loan, type of collateral available to secure the loan, and the projected repayment ability of the borrower. Loans for actual production or physical losses to crops, livestock, supplies and equipment may be scheduled for repayment for up to 7 years. Under some conditions a longer repayment period may be authorized for production loss loans, but not to exceed 20 years. Generally, real estate will be needed as security when a loan term of more than 7 years is authorized. Loss loans for actual losses to real estate will generally be scheduled for repayment within 30 years but under some conditions may be scheduled for up to 40 years.

BORROWER'S FINANCIAL OPPORTUNITIES

A specific set of borrower's rights has been set forth by Congress. These borrower rights provide a number of opportunities for borrowers in serious financial difficulty to have the debt written down in order to retain the farming business. These opportunities include traditional rescheduling, reamortization and deferrals. The Agricultural Credit Act of 1987 also adds debt write down and buyout at net recovery value, and revises the provisions for leaseback/buyback and homestead protection which were included in the Food Security Act of 1985. Descriptions of these financial opportunities follow:

(1) Rescheduling and/or Reamortization

Operating type loans can be rescheduled for up to 15 years with no limit on the number of times a loan can be rescheduled. Reamortization is for long term loans with reamortization of payments for up to 40 years from the date of the original loan. In addition, these loans can have interest rates reduced to limited resource rates which are, currently, two and one-half percent below regular rates.

(2) Deferral

Deferrals can be for up to five years with renewals possible. Interest accrues on deferred debt, so it is not a very viable choice for a borrower unless a substantial amount of other lender debt can be paid off or income increased during the deferral period. Farm plans must show that payment on the deferred debt can be resumed at the end of the deferral period.

(3) Debt Write Down

Debt write down is the major loan restructuring provision of the Agricultural Credit Act of 1987. The Act requires a determination be made as to whether the return to the Government would be equal or greater with the debt written down to net recovery value and keeping a farmer in business as compared to what would be received from foreclosure and liquidation. Net recovery value is the market value less all costs of an involuntary liquidation. If the farm operation will cash flow at or above net recovery value, the debt will be restructured, thereby keeping the farmer on the farm.

(4) Buy Out at Net Recovery Value

If all combinations for rescheduling, reamortization, deferral or write down do not provide a restructuring program that will keep the borrower paying the restructured debt, the borrower then has the opportunity to pay off the debt at net recovery value. This can be a heavily discounted payoff. The payoff must be in full to FmHA with no credit being provided by the Agency. There is a high probability that many borrowers whose loans cannot be restructured will be able to pay off their loans and remain on the farm, with a good opportunity to continue the farm business.

(5) Leaseback/Buyback

Leaseback/buyback is a transaction whereby the borrower conveys the property to the Agency in satisfaction of the debt and then leases the property back with an option to buy. The option must be exercised in five years or the property goes on the market. The Act requires that FmHA try to enter into a contract with the farmer wherein FmHA would assure the borrower that, upon conveyance, the Agency will lease or sell the property back to the borrower. Such sales may be made with FmHA providing the credit.

(6) Homestead Protection

Under homestead protection, FmHA is required to survey and establish a homestead which can consist of the home, outbuildings, and not more than ten acres of land. The homestead is leased to the borrower at a rental rate comparable to rental rates for the area. The lease is for up to five years and also carries an option to purchase. FmHA will provide the credit.

The adequate servicing and supervision of delinquent farmer program loans to assist borrowers to overcome financial and management difficulties and to protect the Government's interest is, and continues to be, a prime concern of the Farmers Home Administration. The Agency makes every effort possible to assist financially stressed farm borrowers to overcome their difficulties. Borrowers and the agricultural community can be assured that the Agency will continue to work with borrowers on a fair but firm basis by using all available authorities to assist them to remain in farming when their farming operations are feasible.

Listed below are data regarding farmers in financial difficulty and the servicing actions taken by FmHA to help them.

	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
Number of farm borrowers	230,013	210,458	193,489
Number of farmers delinquent	41,213 (18%)	31,925 (15%)	30,928 (16%)
Number delinquent 3 years or more	68,178	57,185	39,230
Deferrals	3,901	3,226	2,218
Rescheduled, consolidated, reamortized	21,113	14,782	8,258
Subordinations	30,325	22,124	16,281
Acceleration letters	4,045	5,462	3,133
Foreclosures:			
FmHA	45	243	217
Non-FmHA	257	179	193
Bankruptcies	331	334	286
Liquidations:			
Voluntary conveyances	463	710	521
Sales other than foreclosure	749	753	764
Transfers and assumptions	199	286	200
Total Discontinued Farming a/	<u>2,044</u>	<u>2,505</u>	<u>2,181</u>
	=====	=====	=====
Farm Inventory Properties:			
Number of farm properties	4,271	3,411	3,109
Acres	1,376,002	1,143,738	998,187
Present market value (\$000)	\$553,408	\$455,853	\$404,525

a/ Does not include borrowers who have left farming where liquidation proceedings have not been completed or in some cases even initiated.

JUSTIFICATION OF INCREASES AND DECREASES

The FY 1993 Budget continues the initiative of the Omnibus Budget Reconciliation Act of 1990 shifting direct loan programs to guaranteed loan programs. The focus on guaranteed lending will facilitate graduations of loans from FmHA to private lenders, and the transfer of most loan making responsibilities to private lenders will enable FmHA to concentrate on providing supervised credit assistance to needy borrowers, insure an effective guarantee/graduation process, and allow for improved servicing of the existing portfolio.

The 1993 Budget also continues the initiative of subsidized guaranteed loan programs. This subsidy will be used to move moderate-income borrowers from the Agency's direct farm ownership and farm operating loan programs to the guaranteed loan programs. The interest subsidy can be up to 4 percent as provided in the Food, Agriculture, and Conservation and Trade Act of 1990.

The following adjustments result in a net decrease of \$1,317,640,000 in loan programs and an increase of \$10,427,000 in administrative expenses.

- (1) A decrease of \$38,850,000 for direct farm ownership loans (\$66,750,000 available in FY 1992).

Need for Change. The Omnibus Budget Reconciliation Act of 1990 provides \$27.9 million for direct farm ownership loans. The Budget adopts the Omnibus Budget Reconciliation Act of 1990 proposal. New real estate lending will be kept at a minimum level and targeted to the most financially needy applicants. Applicants must demonstrate the inability to afford loans assisted by guarantees and guarantees accompanied by an interest rate buydown. FmHA will establish annual target participation rates on a county-wide basis to ensure that members of socially disadvantaged groups will receive real estate loans and have the opportunity to purchase or lease inventory farmland. Real estate credit for existing FmHA borrowers will continue to be available through reamortization and rescheduling of loans secured by real estate.

Nature of Change. This program will be maintained at a level to enable the most financially needy applicants and members of socially disadvantaged groups to take advantage of the Agency's long term farm ownership loan program.

- (2) A decrease of \$188,750,000 for guaranteed farm ownership loans (\$488,750,000 available in FY 1992).

Need for Change. The Omnibus Budget Reconciliation Act of 1990 provides \$805 million for this program; however, it is expected that only \$300 million will be received. The program will facilitate graduation of FmHA borrowers to private sector credit sources. The Agricultural Credit Act of 1987, as amended, authorizes the transfer of funds from guaranteed farm operating loans to guaranteed farm ownership loans. In FY 1991, the Agency transferred \$250 million to fund loans for purchases of Farm Credit System land and in FY 1992, \$500,000 was transferred.

Nature of Change. The program level will provide 1,970 unsubsidized guaranteed loans in FY 1993.

- (3) An increase of \$61,600,000 for subsidized guaranteed farm ownership loans (\$500,000 available in FY 1992).

Need for Change. The Omnibus Budget Reconciliation Act of 1990 authorized \$62.1 million in FY 1993 for subsidized guaranteed loan authority. The Budget adopted the Omnibus Budget Reconciliation Act of 1990 proposal. The Act also provided an interest subsidy of up to 4 percent. This program will assist moderate-income applicants. Also, the Agency's most credit-worthy direct loan borrowers will be assisted in graduating with a guaranteed loan accompanied by an interest subsidy. The Food, Agriculture, Conservation and Trade Act of 1990 requires that at least 30 percent of subsidized guarantees be extended to direct loan borrowers.

Nature of Change. The program level will provide 410 subsidized guaranteed loans in FY 1993.

- (4) A decrease of \$535,900,000 for direct farm operating loans (\$850,000,000 available in FY 1992).

Need for Change. The Omnibus Budget Reconciliation Act of 1990 provides \$314.1 million for direct operating loans. The Budget adopted the Omnibus Budget Reconciliation Act of 1990 proposal. The Agency will make maximum use of the guaranteed operating loan program, in lieu of the direct loan program, to facilitate participation of the private agricultural credit

sector. All the direct loans will be made at the limited resource rate to low-income borrowers.

Nature of Change. The program level will provide 6,260 direct loans in FY 1993.

- (5) A decrease of \$550,000,000 for guaranteed farm operating loans (\$1,800,000,000 available in FY 1992).

Need for Change. The Omnibus Budget Reconciliation Act of 1990 provides \$2.609 billion for guaranteed operating loans. However, FmHA estimates demand for only \$1.250 billion. Also, the Agency has coordinated and worked with the Farm Credit Administration and private lenders to increase participation in the guaranteed loan area. The shift toward guaranteed lending will facilitate graduation of FmHA borrowers to private sector credit sources and focus FmHA staff resources on servicing requirements of its delinquent borrowers.

Nature of Change. The program level will provide 11,880 guaranteed loans in FY 1993.

- (6) An increase of \$516,260,000 for subsidized guaranteed farm operating loans (\$181,640,000 available in FY 1992).

Need for Change. The Omnibus Budget Reconciliation Act of 1990 provides \$697.9 million in FY 1993. The Budget adopted the Omnibus Budget Reconciliation Act of 1990 proposal. The Food, Agriculture, Conservation, and Trade Act also provided an interest subsidy of up to 4 percent. As required by the Food, Agriculture, Conservation and Trade Act of 1990, at least 30 percent of these loans will be made to graduate the Agency's most credit-worthy direct loan borrowers. In addition, moderate-income applicants will be assisted with a guaranteed loan accompanied by an interest subsidy.

Nature of Change. The program level will provide 6,630 subsidized guaranteed loans in FY 1993.

- (7) A decrease of \$500,000,000 for emergency disaster loans (\$600,000,000 available in FY 1992).

Need for Change. In FY 1993 the funding level of \$100 million will fund emergency actual loss loans and should be sufficient to meet the anticipated demand. It is anticipated that only \$104 million of the \$600 million will be used in FY 1992. P.L. 102-229 Supplemental Appropriations Bill for FY 1992 waived the requirement that applicants for emergency loans must have crop insurance for 1991 crops.

Nature of Change. The program level will provide 1,400 loans in FY 1993.

- (8) A decrease of \$5,500,000 for direct and \$1,500,000 for guaranteed soil and water loans (\$7,000,000 available in FY 1992).

Need for Change. Elimination of the direct and guaranteed soil and water loan programs reflects redirection of Agency lending to the guaranteed operating lending function. Also, historically there has been very limited use of the guaranteed soil and water program. Some activities funded under the soil and water loan program may be funded through the direct and guaranteed operating lending program.

Nature of Change. No program is proposed in FY 1993.

- (9) A decrease of \$75,000,000 for credit sales of acquired property (\$200,000,000 estimated in FY 1992).

Need for Change. The level requested represents the anticipated amount of direct loans made by credit sales from acquired properties in inventory.

Nature of Change. This level reflects the anticipated level of credit sales of acquired property which may be required.

- (10) A decrease of \$149,618,000 for the direct loan subsidy.

Need for Change. This estimated subsidy amount is necessary to support the direct loan obligations associated with the supportable FY 1993 loan levels.

- (11) An increase of \$20,905,000 for the guaranteed loan subsidy.

Need for Change. This estimated subsidy amount is necessary to support the guaranteed loan commitments associated with the supportable FY 1993 loan levels.

- (12) An increase of \$10,427,000 for administrative expenses (\$230,179,000 available in FY 1992).

Need for Change. Justification for administrative expenses in the amount of \$211,673,000 and related staff-years is reflected in the Salaries and Expenses Project Statement. That amount will be transferred to Salaries and Expenses. The balance of \$28,933,000 will be retained by the program account for obligation of program related, non-recoverable costs such as appraisals and inspections. These costs were funded by the liquidating account in FY 1992.

(c) Agricultural Credit Insurance Fund Direct Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this non-budgetary account records the obligations and cash flows to and from the Government resulting from direct loans obligated in FY 1992 and beyond. These cash flows may include, but are not limited to, direct loan subsidy payments from the subsidy account, loan disbursements, principal repayments and interest payments from borrowers, prepayments or fees, proceeds from the sale of loans, and interest paid on Treasury borrowing. In addition, this account will keep track of the available budget authority for direct loan disbursements and has permanent, indefinite authority to borrow to finance direct loan disbursements. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

(d) Agricultural Credit Insurance Fund Guaranteed Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this non-budgetary account records the commitments and cash flows to and from the Government associated with guaranteed loan commitments made in FY 1992 and beyond. These cash flows may include, but are not limited to, guaranteed loan subsidy payments from the program account, default claims on guaranteed loan commitments, fees, collections on defaulted loans and receipt of interest on uninvested funds. In addition, this account will keep track of the available budget authority for guaranteed loan commitments. The account will also maintain a reserve to cover payments for defaults on guaranteed loans. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

Agricultural Credit Insurance Fund
Insured Farm Ownership Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	872,660	956,000	401,520
Alaska.....	--	150,000	63,000
Arizona.....	150,000	434,000	182,280
Arkansas.....	2,317,720	1,371,000	575,820
California.....	2,681,300	2,843,000	1,194,060
Colorado.....	1,184,630	999,000	419,580
Connecticut.....	--	243,000	102,060
Delaware.....	99,950	242,000	101,640
Florida.....	772,920	1,009,000	423,780
Georgia.....	1,234,200	1,088,000	456,960
Hawaii.....	309,000	343,000	144,060
Idaho.....	693,000	852,000	357,840
Illinois.....	2,281,310	3,669,000	1,540,980
Indiana.....	1,912,250	2,208,000	927,360
Iowa.....	4,030,560	4,526,000	1,900,920
Kansas.....	2,564,900	2,358,000	990,360
Kentucky.....	1,571,570	2,007,000	842,940
Louisiana.....	1,332,710	873,000	366,660
Maine.....	473,500	312,000	131,040
Maryland.....	--	529,000	222,180
Massachusetts.....	413,000	291,000	122,220
Michigan.....	1,076,500	1,282,000	538,440
Minnesota.....	2,451,550	2,897,000	1,216,740
Mississippi.....	1,073,400	929,000	390,180
Missouri.....	2,190,470	2,701,000	1,134,420
Montana.....	607,000	1,082,000	454,440
Nebraska.....	2,132,250	2,668,000	1,120,560
Nevada.....	--	235,000	98,700
New Hampshire.....	250,000	274,000	115,080
New Jersey.....	476,000	390,000	163,800
New Mexico.....	325,890	515,000	216,300
New York.....	1,031,299	1,086,000	456,120
North Carolina.....	1,126,890	1,475,000	619,500
North Dakota.....	1,495,750	1,599,000	671,580
Ohio.....	1,258,850	2,236,000	939,120
Oklahoma.....	2,110,320	1,757,000	737,940
Oregon.....	261,500	829,000	348,180
Pennsylvania.....	1,342,000	1,510,000	634,200
Rhode Island.....	--	162,000	68,040
South Carolina.....	341,980	624,000	262,080
South Dakota.....	2,066,420	1,525,000	640,500
Tennessee.....	1,008,910	1,604,000	673,680
Texas.....	3,612,540	4,837,000	1,893,540
Utah.....	339,000	489,000	205,380
Vermont.....	409,100	344,000	144,480
Virginia.....	913,700	1,154,000	484,680
Washington.....	756,500	1,008,000	426,360
West Virginia.....	402,000	630,000	264,600
Wisconsin.....	1,732,100	2,390,000	1,003,800
Wyoming.....	454,150	515,000	216,300
Puerto Rico.....	997,950	700,000	294,000
Trust Territories..	--	150,000	63,000
Virgin Islands.....	--	150,000	63,000
Total, Avail./Est..	57,139,199	66,750,000	27,900,000

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

Agricultural Credit Insurance Fund
Guaranteed Farm Ownership Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	4,948,100	7,079,000	5,238,460
Alaska.....	--	300,000	222,000
Arizona.....	1,183,770	3,211,000	2,376,140
Arkansas.....	18,740,100	10,154,000	7,513,960
California.....	5,108,750	21,059,000	15,583,660
Colorado.....	5,839,060	7,400,000	5,476,000
Connecticut.....	806,000	1,801,000	1,332,740
Delaware.....	1,561,200	1,792,000	1,326,080
Florida.....	2,844,630	7,476,000	5,532,240
Georgia.....	10,304,140	8,060,000	5,964,400
Hawaii.....	--	2,544,000	1,882,560
Idaho.....	5,334,090	6,311,000	4,670,140
Illinois.....	10,426,920	27,173,000	20,108,020
Indiana.....	9,505,270	16,350,000	12,099,000
Iowa.....	22,889,330	33,521,000	24,805,540
Kansas.....	11,797,360	17,462,000	12,921,880
Kentucky.....	9,814,900	14,866,000	11,000,840
Louisiana.....	7,109,180	6,467,000	4,785,580
Maine.....	288,250	2,309,000	1,708,660
Maryland.....	1,439,300	3,919,000	2,900,060
Massachusetts.....	2,180,500	2,157,000	1,596,180
Michigan.....	12,426,880	9,495,000	7,026,300
Minnesota.....	12,388,500	21,459,000	15,879,660
Mississippi.....	23,549,520	6,880,000	5,091,200
Missouri.....	17,357,910	20,005,000	14,803,700
Montana.....	7,367,082	8,014,000	5,930,360
Nebraska.....	14,067,770	19,758,000	14,620,920
Nevada.....	--	1,741,000	1,288,340
New Hampshire.....	975,500	2,029,000	1,501,460
New Jersey.....	1,185,500	2,885,000	2,134,900
New Mexico.....	2,588,950	3,811,000	2,820,140
New York.....	8,374,000	8,041,000	5,950,340
North Carolina.....	20,493,980	10,922,000	8,082,280
North Dakota.....	4,617,920	11,845,000	8,765,300
Ohio.....	5,750,500	16,563,000	12,256,620
Oklahoma.....	11,146,150	13,012,000	9,628,880
Oregon.....	2,424,790	6,139,000	4,542,860
Pennsylvania.....	10,582,530	11,185,000	8,276,900
Rhode Island.....	115,000	1,198,000	886,520
South Carolina.....	4,841,220	4,619,000	3,418,060
South Dakota.....	5,776,130	11,293,000	8,356,820
Tennessee.....	5,283,460	11,881,000	8,791,940
Texas.....	11,008,870	33,592,000	24,858,080
Utah.....	5,386,830	3,622,000	2,680,280
Vermont.....	3,056,120	2,550,000	1,887,000
Virginia.....	5,255,620	8,550,000	6,752,000
Washington.....	5,852,460	7,469,000	5,527,060
West Virginia.....	6,035,150	4,663,000	3,450,620
Wisconsin.....	23,047,790	17,703,000	13,100,220
Wyoming.....	1,743,540	3,815,000	2,823,100
Puerto Rico.....	691,500	2,000,000	1,480,000
Trust Territories..	--	300,000	222,000
Virgin Islands.....	--	300,000	222,000
Reserve.....	--	500,000	370,000
Total, Avail./Est..	365,512,022	489,250,000 1/	362,100,000 2/

1/ Includes \$500 thousand transferred from guaranteed farm operating loans for purchase of FCS inventory property.

2/ This amount represent the expected demand, however the FY 1993 Budget Allowance for this program is \$867,100,000.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Agricultural Credit Insurance Fund
Insured Farm Operating Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	7,448,540	12,825,000	4,745,250
Alaska.....	--	200,000	74,000
Arizona.....	1,191,000	3,278,000	1,212,860
Arkansas.....	17,569,340	24,967,000	9,237,790
California.....	13,326,330	27,640,000	10,226,800
Colorado.....	5,094,310	10,283,000	3,804,710
Connecticut.....	313,700	1,570,000	580,900
Delaware.....	511,750	1,823,000	674,510
Florida.....	2,700,390	7,783,000	2,879,710
Georgia.....	9,798,050	15,949,000	5,901,130
Hawaii.....	910,460	2,640,000	976,800
Idaho.....	9,322,840	14,088,000	5,212,560
Illinois.....	11,627,490	30,753,000	11,378,610
Indiana.....	12,090,810	24,157,000	8,938,090
Iowa.....	21,023,510	45,423,000	16,806,510
Kansas.....	15,422,120	28,345,000	10,487,650
Kentucky.....	8,038,020	19,080,000	7,059,600
Louisiana.....	27,533,440	32,045,000	11,856,650
Maine.....	3,772,360	5,535,000	2,047,950
Maryland.....	340,500	3,187,000	1,179,190
Massachusetts.....	1,765,160	3,280,000	1,213,600
Michigan.....	12,138,950	19,560,000	7,237,200
Minnesota.....	25,646,650	41,971,000	15,529,270
Mississippi.....	33,613,450	38,751,000	14,337,870
Missouri.....	4,316,010	19,424,000	7,186,880
Montana.....	4,317,660	10,240,000	3,788,800
Nebraska.....	15,785,910	30,281,000	11,203,970
Nevada.....	846,470	2,132,000	788,840
New Hampshire.....	666,010	2,159,000	798,830
New Jersey.....	1,102,020	2,988,000	1,105,560
New Mexico.....	3,992,070	6,583,000	2,435,710
New York.....	12,713,790	19,094,000	7,064,780
North Carolina.....	10,017,440	18,078,000	6,688,860
North Dakota.....	23,250,830	32,101,000	11,877,370
Ohio.....	9,001,600	21,372,000	7,907,640
Oklahoma.....	18,454,550	28,224,000	10,442,880
Oregon.....	5,343,050	10,032,000	3,711,840
Pennsylvania.....	12,705,920	21,140,000	7,821,800
Rhode Island.....	349,000	1,223,000	452,510
South Carolina.....	8,495,890	11,981,000	4,432,970
South Dakota.....	5,853,870	14,283,000	5,284,710
Tennessee.....	15,187,030	24,260,000	8,976,200
Texas.....	67,577,860	91,945,000	34,019,650
Utah.....	3,518,380	6,198,000	2,293,260
Vermont.....	1,590,600	3,534,000	1,307,580
Virginia.....	5,575,070	12,025,000	4,449,250
Washington.....	7,916,786	13,474,000	4,985,380
West Virginia.....	1,728,430	5,248,000	1,941,760
Wisconsin.....	4,536,700	18,713,000	6,523,810
Wyoming.....	1,398,460	4,235,000	1,566,950
Puerto Rico.....	2,459,420	3,500,000	1,295,000
Trust Territories..	--	200,000	74,000
Virgin Islands.....	--	200,000	74,000
Total, Avail./Est..	489,899,996	850,000,000	314,100,000

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

Agricultural Credit Insurance Fund
Guaranteed Farm Operating Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	7,488,520	29,500,000	29,205,000
Alaska.....	--	800,000	792,000
Arizona.....	4,482,650	11,451,000	11,336,490
Arkansas.....	37,509,380	40,593,000	40,187,070
California.....	31,235,980	78,541,000	76,755,590
Colorado.....	11,659,330	28,471,000	28,186,290
Connecticut.....	1,016,910	6,892,000	6,823,080
Delaware.....	541,070	7,195,000	7,123,050
Florida.....	4,416,760	27,892,000	27,613,080
Georgia.....	47,746,430	33,754,000	33,416,460
Hawaii.....	--	9,484,000	9,389,160
Idaho.....	26,164,720	26,145,000	25,883,550
Illinois.....	49,358,300	104,944,000	103,064,560
Indiana.....	17,024,720	66,209,000	65,546,910
Iowa.....	63,593,920	133,878,000	132,539,220
Kansas.....	44,366,630	70,912,000	70,202,880
Kentucky.....	19,568,110	60,587,000	59,981,130
Louisiana.....	76,270,900	24,760,000	24,512,400
Maine.....	991,500	9,676,000	9,579,240
Maryland.....	2,090,540	15,618,000	15,461,820
Massachusetts.....	2,567,540	8,314,000	8,230,860
Michigan.....	26,278,850	40,716,000	40,308,840
Minnesota.....	38,435,850	89,573,000	86,677,270
Mississippi.....	57,379,370	28,194,000	26,712,060
Missouri.....	29,371,300	82,896,000	80,174,040
Montana.....	15,380,290	32,497,000	32,172,030
Nebraska.....	35,312,660	79,533,000	78,737,670
Nevada.....	3,011,150	7,058,000	6,987,420
New Hampshire.....	288,000	8,192,000	8,110,080
New Jersey.....	4,054,990	10,347,000	10,243,530
New Mexico.....	6,426,450	14,218,000	14,075,820
New York.....	13,693,520	35,010,000	34,659,900
North Carolina.....	20,892,570	44,233,000	43,790,670
North Dakota.....	23,027,710	48,561,000	47,075,390
Ohio.....	18,747,930	67,875,000	66,196,250
Oklahoma.....	27,970,500	53,605,000	52,068,350
Oregon.....	7,014,060	25,731,000	25,473,690
Pennsylvania.....	10,148,490	46,277,000	45,314,230
Rhode Island.....	8,000	4,795,000	4,747,050
South Carolina.....	14,618,220	19,123,000	18,931,770
South Dakota.....	26,681,470	46,252,000	45,289,480
Tennessee.....	20,670,670	49,784,000	48,286,160
Texas.....	117,680,460	133,683,000	131,346,170
Utah.....	4,642,350	14,706,000	14,558,940
Vermont.....	4,477,930	10,663,000	10,556,370
Virginia.....	3,345,123	35,390,000	35,036,100
Washington.....	19,723,970	30,444,000	30,139,560
West Virginia.....	4,765,850	19,314,000	19,120,860
Wisconsin.....	28,943,420	77,787,000	76,009,130
Wyoming.....	8,992,000	15,569,000	15,413,310
Puerto Rico.....	478,000	3,300,000	3,267,000
Trust Territories..	--	800,000	792,000
Virgin Islands.....	--	800,000	792,000
Reserve.....	--	9,098,000	9,007,020
Total, Avail./Est..	1,040,555,063	1,981,640,000 1/	1,947,900,000 2/

1/ Excludes \$500 thousands transferred to guaranteed farm ownership for purchase of FCS inventory property.

2/ This amount represent the expected demand, however the FY 1993 Budget Allowance for this program is \$3,306,900,000.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

Agricultural Credit Insurance Fund
Emergency Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	\$3,137,170	--	--
Alaska.....	--	--	--
Arizona.....	--	--	--
Arkansas.....	1,363,390	--	--
California.....	2,641,850	--	--
Colorado.....	1,107,330	--	--
Connecticut.....	--	--	--
Delaware.....	--	--	--
Florida.....	4,219,070	--	--
Georgia.....	13,409,440	--	--
Hawaii.....	--	--	--
Idaho.....	327,600	--	--
Illinois.....	3,523,650	--	--
Indiana.....	87,000	--	--
Iowa.....	290,810	--	--
Kansas.....	1,845,040	--	--
Kentucky.....	55,140	--	--
Louisiana.....	2,925,680	--	--
Maine.....	--	--	--
Maryland.....	--	--	--
Massachusetts.....	2,190,580	--	--
Michigan.....	1,978,820	--	--
Minnesota.....	962,120	--	--
Mississippi.....	5,058,690	--	--
Missouri.....	266,780	--	--
Montana.....	531,670	--	--
Nebraska.....	541,780	--	--
Nevada.....	--	--	--
New Hampshire.....	200,000	--	--
New Jersey.....	5,281,700	--	--
New Mexico.....	--	--	--
New York.....	1,359,700	--	--
North Carolina.....	181,840	--	--
North Dakota.....	2,317,150	--	--
Ohio.....	266,420	--	--
Oklahoma.....	2,116,800	--	--
Oregon.....	191,750	--	--
Pennsylvania.....	18,440	--	--
Rhode Island.....	--	--	--
South Carolina.....	3,206,770	--	--
South Dakota.....	363,030	--	--
Tennessee.....	993,310	--	--
Texas.....	14,047,760	--	--
Utah.....	1,268,670	--	--
Vermont.....	--	--	--
Virginia.....	220,320	--	--
Washington.....	1,210,570	--	--
West Virginia.....	490,000	--	--
Wisconsin.....	354,710	--	--
Wyoming.....	--	--	--
Puerto Rico.....	466,280	--	--
Trust Territories..	--	--	--
Virgin Islands.....	383,500	--	--
Total, Avail./Est..	81,402,330	600,000,000 1/	100,000,000 1/

1/ Cannot be distributed by geographic area in advance.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

Agricultural Credit Insurance Fund
Insured Soil and Water Loan Program

	1991 Amount	1992 Amount	1993 Amount
Arizona.....	193,500	--	--
Arkansas.....	764,970	--	--
California.....	260,000	--	--
Colorado.....	124,900	--	--
Connecticut.....	--	--	--
Florida.....	50,000	--	--
Georgia.....	91,360	--	--
Idaho.....	416,000	--	--
Illinois.....	55,000	--	--
Indiana.....	--	--	--
Iowa.....	11,450	--	--
Kansas.....	161,900	--	--
Kentucky.....	74,950	--	--
Louisiana.....	47,500	--	--
Massachusetts.....	604,370	--	--
Michigan.....	28,200	--	--
Minnesota.....	131,700	--	--
Mississippi.....	60,710	--	--
Missouri.....	49,390	--	--
Montana.....	102,000	--	--
Nebraska.....	192,150	--	--
Nevada.....	31,430	--	--
New Hampshire.....	4,100	--	--
New Jersey.....	157,000	--	--
New Mexico.....	51,680	--	--
New York.....	107,000	--	--
North Carolina.....	38,130	--	--
North Dakota.....	133,940	--	--
Oklahoma.....	48,000	--	--
Oregon.....	290,800	--	--
Pennsylvania.....	41,000	--	--
Rhode Island.....	--	--	--
South Carolina.....	--	--	--
South Dakota.....	--	--	--
Tennessee.....	65,000	--	--
Texas.....	386,750	--	--
Utah.....	53,800	--	--
Vermont.....	94,130	--	--
Washington.....	26,250	--	--
West Virginia.....	--	--	--
Wisconsin.....	19,000	--	--
Wyoming.....	--	--	--
Total, Avail./Est..	4,968,060	5,500,000 1/	--

Guaranteed Soil and Water Loan Program

Arkansas.....	169,780	--	--
Georgia.....	87,000	--	--
Idaho.....	25,340	--	--
Kansas.....	32,000	--	--
Mississippi.....	36,500	--	--
Missouri.....	14,000	--	--
Nebraska.....	61,000	--	--
Texas.....	67,850	--	--
Wisconsin.....	37,700	--	--
Total, Avail./Est..	531,170	1,500,000 1/	--

1/ Cannot be distributed by geographic area in advance.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

Agricultural Credit Insurance Fund
Interest Rate Buydown Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	--	--	--
Alaska.....	--	--	--
Arizona.....	148,000	--	--
Arkansas.....	--	--	--
California.....	46,359	--	--
Colorado.....	421,310	--	--
Connecticut.....	120,000	--	--
Delaware.....	--	--	--
Florida.....	356,835	--	--
Georgia.....	540,879	--	--
Hawaii.....	--	--	--
Idaho.....	717,759	--	--
Illinois.....	7,414,599	--	--
Indiana.....	1,177,694	--	--
Iowa.....	6,555,955	--	--
Kansas.....	4,749,737	--	--
Kentucky.....	1,692,602	--	--
Louisiana.....	309,998	--	--
Maine.....	184,820	--	--
Maryland.....	203,606	--	--
Massachusetts.....	100,200	--	--
Michigan.....	4,159,739	--	--
Minnesota.....	5,405,601	--	--
Mississippi.....	378,626	--	--
Missouri.....	4,085,854	--	--
Montana.....	2,797,272	--	--
Nebraska.....	4,588,828	--	--
Nevada.....	--	--	--
New Hampshire.....	121,092	--	--
New Jersey.....	421,600	--	--
New Mexico.....	294,500	--	--
New York.....	2,839,303	--	--
North Carolina.....	190,540	--	--
North Dakota.....	4,179,070	--	--
Ohio.....	1,158,663	--	--
Oklahoma.....	1,721,797	--	--
Oregon.....	--	--	--
Pennsylvania.....	3,219,957	--	--
Rhode Island.....	--	--	--
South Carolina.....	110,380	--	--
South Dakota.....	3,500,241	--	--
Tennessee.....	635,363	--	--
Texas.....	500,324	--	--
Utah.....	322,579	--	--
Vermont.....	1,407,425	--	--
Virginia.....	442,298	--	--
Washington.....	284,640	--	--
West Virginia.....	810,217	--	--
Wisconsin.....	15,081,422	--	--
Wyoming.....	493,561	--	--
Puerto Rico.....	--	--	--
Trust Territories..	--	--	--
Virgin Islands.....	--	--	--
Total, Avail./Est.. 1/	83,891,245	--	--

1/ The amount in 1991 represent cash paid from the Fund. In 1992, and 1993 under Credit Reform, interest subsidy costs are appropriated in the program account.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets):

State Mediation Grants:

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), [~~\$3,750,000~~] \$2,000,000.

State Mediation Grants

Appropriation Act, 1992.....	\$3,750,000
Budget Estimate, 1993.....	<u>2,000,000</u>
Decrease in Appropriation.....	<u>-1,750,000</u>
	=====

PROJECT STATEMENT

(On basis of adjusted appropriation)

Projects	1991 Actual	1992 Estimated	Decrease	1993 Estimated
State mediation grants.....	\$2,624,150	\$3,750,000	\$-1,750,000	\$2,000,000
Unobligated balance				
expiring.....	<u>1,125,801</u>			
Total estimate.....	3,749,951			
GRH Reduction.....	<u>49</u>			
Total appropriation.....	<u>3,750,000</u>			
	=====			

The FY 1991 actual activity is included in the above section for comparability purposes. They were appropriated under the Agricultural Credit Insurance Fund.

Staff-years are reflected in Salaries and Project Statement.

EXPLANATION OF PROGRAM

This program is authorized under Title V of the Agricultural Credit Act of 1987. Grants are made to states which have been certified by FmHA as having an agricultural loan mediation program. Grants will be solely for operation and administration of the state's agricultural loan mediation program. A grant will not exceed 50 percent of the total fiscal year funds that a qualifying state requires to operate and administer its agricultural loan mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

JUSTIFICATION OF INCREASE

A decrease of \$1,750,000 for state mediation grants (\$3,750,000 available in FY 1992).

Need for Change. Peak demand for state mediation occurred in FY 1990, after the initial request for debt restructuring of delinquent FmHA farmer program loans had been processed. In FY 1992, only \$2,624,150 of the \$3,750,000 available was used. The diminishing need for this program has resulted in a request for FY 1993 of \$2,000,000.

Nature of Change. The \$2,000,000 level reflects the anticipated level of state mediation grants which may be required.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

State Mediation Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	245,320	143,402	--
Arkansas.....	82,500	82,500	--
Indiana.....	39,140	--	--
Iowa.....	273,400	235,800	--
Kansas.....	428,680	--	--
Minnesota.....	--	300,000	--
Montana.....	60,000	--	--
Nebraska.....	174,590	140,899	--
New Mexico.....	59,500	61,000	--
North Dakota.....	387,080	387,078	--
Oklahoma.....	215,870	170,000	--
Oregon.....	45,200	58,010	--
South Dakota.....	78,280	48,850	--
Texas.....	414,290	413,111	--
Utah.....	--	10,000	--
Wisconsin.....	90,300	122,300	--
Wyoming.....	30,000	--	--
Reserve.....		1,577,050	--
Total, Avail./Est..	2,624,150	3,750,000	2,000,000 1/

1/ Cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing Insurance Fund Program Account:

- For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the Rural Housing Insurance Fund, as follows:
- 1 [\$1,624,500,000] \$1,150,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which [\$329,500,000] \$300,000,000 shall be for unsubsidized guaranteed loans[; \$11,330,000] and \$400,000,000 shall be for subsidized guaranteed loans: \$11,100,000 for section 504 housing repair loans; [
- 2 \$16,300,000] \$16,250,000 for section 514 farm labor housing; [\$573,900,000] \$341,000,000 for section 515 rental housing; [\$600,000 for site loans;] and
- 3 [\$250,000,000] \$200,000,000 for credit sales of acquired property[: Provided, That up to \$35,000,000 of these funds shall be made available for section 502(g), Deferral Mortgage Demonstration].
- 4 For [an amount, for] the cost[, as defined in section 13201 of the Budget Enforcement Act of 1990] of direct and guaranteed loans, including the cost of modifying loans, [of direct and guaranteed loans,] as defined in section 502 of the Congressional Budget Act of 1974, as follows: low-income housing
- 5 section 502 loans, [\$287,591,000] \$212,405,000, of which [\$3,723,000] \$5,550,000 shall be for unsubsidized guaranteed loans and \$97,280,000 shall be for subsidized guaranteed loans; section 504 housing repair loans, [
- 6 \$4,999,000] \$4,456,000; section 514 farm labor housing, [\$9,002,000] \$8,005,000; section 515 rental housing loans, including the costs for 6,330 units of new construction rental assistance associated with such loans, [
- 7 \$248,499,000] \$243,167,000; and credit sales of acquired property, [\$36,725,000; and site loans, \$9,000] \$26,780,000: Provided, That such sums
- 8 are to remain available through fiscal year 2000 for the disbursement of loans obligated in fiscal year 1993: Provided further, That such sums obligated in fiscal year 1992 are to remain available through fiscal year 2000 for the disbursement of loans obligated in fiscal year 1992.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$427,111,000] \$427,744,000.

The first change adds language which provides for a \$400 million level for the subsidized guaranteed section 502 loan program which will provide for an estimated 7,310 interest assisted units.

The second change deletes language which provided for a loan level for the section 524 site loan program which is not proposed in the FY 1993 Budget.

The third change deletes language providing for a level of loan activity to be made available under the Deferral Mortgage Demonstration program.

The fourth change substitutes legal citation for the appropriation for subsidy costs to the original legislation, as amended.

The fifth change adds language designating separately the amount of subsidy cost appropriation to be made available for the unsubsidized guaranteed and subsidized guaranteed section 502 loan programs.

The sixth change adds new language providing 6,330 units of new construction rental assistance to be offered in conjunction with the section 515 loan program, with the rental assistance cost being included as part of the appropriated loan subsidy amount for the section 515 program.

The seventh change deletes language providing a subsidy cost appropriation for the site loan program which is not proposed in the FY 1993 Budget.

The eighth change provides language which will allow for the disbursement of FY 1993 obligated subsidy to the financing accounts beyond the five-year limitation set forth in P.L. 101-510, the National Defense Authorization Act for 1991. Similarly, new language is proposed that will allow for the disbursement of FY 1992 obligated subsidy to the financing accounts beyond the five-year limitation.

RURAL HOUSING INSURANCE FUND

The 1993 budget reflects the new credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. Loan levels are included in the appropriation language requested for the subsidy amount for FY 1993. The appropriation language also specifies the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the net present value of estimated cash flows over the lifetime of the loans; whereas outlays represent the portion of the subsidy related to the loan amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a "financing account" and are considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for pre-credit reform portfolios of loans are reflected in the Budget in "liquidating accounts" and are calculated as before, to represent disbursements, borrower repayments, borrower interest payments, Federal Financing Bank repayments and Treasury loan repayments.

(a) Rural Housing Insurance Fund - Liquidating Account

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, the pre-credit reform revolving fund account will be referred to as a liquidating account. No new loans and no administrative expenses will be charged to it after FY 1991. The liquidating account will be used to liquidate the loans made prior to FY 1992, as long as the terms and conditions of these loans do not change. Activity of this account will include loan disbursements, collections of interest, loan repayments and prepayments, payments of interest to Treasury and the Federal Financing Bank, proceeds from the sale of acquired property, fees, and other revenues and expenses related to obligations and commitments made prior to FY 1992. Although FY 1991 actual activity is included in the sections that follow, it is provided for comparability purposes only.

Under Credit Reform, the liquidating account will utilize permanent indefinite appropriations in such amounts as may be required to meet cash needs during any fiscal year.

(b) Rural Housing Insurance Fund Program Account (On basis of loan level, subsidy, and administrative expenses in the Appropriation Act) (In thousands of dollars)

	Loan Level	Subsidy	Administrative Expense
Appropriation Act, FY 1992.....	\$2,476,630	\$586,825	\$427,111
Appropriation Act, FY 1993.....	1,718,350	494,813	427,744
Increase or Decrease in Amount.....	-758,280	-92,012	+ 633
	=====	=====	=====

PROJECT STATEMENT
(On basis of loan level, subsidy, and
administrative expenses in the Appropriation Act)
(In thousands of dollars)

Project	1991 Actual	1992 Appropriated	Increase or Decrease	1993 Estimated
Single family housing:				
Direct loans.....	\$1,276,230	\$1,295,000	\$-845,000 (1)	\$450,000
Direct loan subsidy.....	0	283,868	-174,293	109,575
Guaranteed loans unsubsidized:	8,418	329,500	-29,500 (2)	300,000
Guaranteed loan subsidy.....	0	3,723	1,827	5,550
Guaranteed loans subsidized..	29,982	0	400,000 (3)	400,000
Guaranteed subsidized loan subsidy.....	0	0	97,280	97,280
Multi-family housing:				
Direct loans.....	576,335	573,900	-232,900 (4)	341,000
Direct loan subsidy.....	0	248,499	-5,332	243,167
Housing repair:				
Direct loans.....	11,292	11,330	-230 (5)	11,100
Direct loan subsidy.....	0	4,999	-543	4,456
Farm labor housing:				
Direct loans.....	13,836	16,300	-50 (6)	16,250
Direct loan subsidy.....	0	9,002	-997	8,005
Site loans:				
Direct loans.....	600	600	-600 (7)	0
Direct loan subsidy.....	0	9	-9	0
Credit sales of acquired property:				
Direct loans.....	241,039	250,000	-50,000 (8)	200,000
Direct loan subsidy.....	0	36,725	-9,945	26,780
Administrative expenses...a/...	346,759	427,111	633	427,744
Total:				
Direct loans.....	\$2,119,332	\$2,147,130	\$-1,128,780	\$1,018,350
Direct loan subsidy.....	0	583,102	-191,119 (9)	391,983
Guaranteed loans unsubsidized:	8,418	329,500	-29,500	300,000
Guaranteed unsubsidized loan subsidy.....	0	3,723	1,827 (10)	5,550
Guaranteed loans subsidized..	29,982	0	400,000	400,000
Guaranteed subsidized loan subsidy.....	0	0	97,280 (10)	97,280
Administrative expenses.....	346,759	427,111	633 (11)	427,744

Staff-years are reflected in the Salaries and Expense Project Statement.

a/ The FY 1991 actual and FY 1992 estimated administrative expenses are not directly comparable to the FY 1993 estimate. Of the \$427,744,000 for administrative expenses in FY 1993, \$383,214,000 will be transferred to Salaries and Expenses and \$44,530,000 will be retained for obligation of program-related nonrecoverable costs.

Note: GRH reduction in FY 1991 was \$24,422 for direct loans and \$1,300 for guaranteed loans.

PROJECT STATEMENT
(On basis of 1992 loan level and subsidy supportable
under 1992 Appropriation Act)
(In thousands of dollars)

Project	1992 Appropriated	Increase or Decrease	1992 Current Estimate
Single family housing:			
Direct loans.....	\$1,295,000	\$-41,166	\$1,253,834
Direct loan subsidy.....	283,868	0	283,868
Guaranteed loans unsubsidized.....	329,500	-31	329,469
Guaranteed loan subsidy.....	3,723	0	3,723
Guaranteed loans subsidized.....	0	0	0
Guaranteed subsidized loan subsidy.....	0	0	0
Multi-family housing:			
Direct loans.....	573,900	0	573,900
Direct loan subsidy.....	248,499	0	248,499
Housing repair:			
Direct loans.....	11,330	0	11,330
Direct loan subsidy.....	4,999	-227	4,772
Farm labor housing:			
Direct loans.....	16,300	0	16,300
Direct loan subsidy.....	9,002	-8	8,994
Site loans:			
Direct loans.....	600	-195	405
Direct loan subsidy.....	9	0	9
Credit sales of acquired property:			
Direct loans.....	250,000	-30,000	220,000
Direct loan subsidy.....	36,725	-4,407	32,318

EXPLANATION OF PROGRAM

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations and guaranteed loan commitments of this account in FY 1992 and beyond. Subsidy amounts are obtained by estimating the difference between the Government's cash disbursements and the net present value of the Government's cash inflows resulting from direct and guaranteed loans made through this account. For the requested FY 1993 direct loans of \$1,018,350,000 and guaranteed loans of \$700,000,000, the associated lifetime subsidy is estimated to be \$391,983,000 and \$102,830,000, respectively.

The Rural Housing Insurance Fund (RHIF) was established under the authority contained in section 1003(a) of the Housing and Urban Development Act of 1965 (Public Law 89-117), approved August 10, 1965. Public Law 89-117 authorized an appropriation of such sums as may be necessary for the purposes of the fund. An Appropriation of \$100,000,000 was provided by the Supplemental Appropriation Act, 1966, (Public Law 89-309), to capitalize the fund for future operations.

Public Law 89-117 transferred authorities for making insured farm labor housing loans and insured rural rental or cooperative housing loans from the Agricultural Credit Insurance Fund to the Rural Housing Insurance Fund. Public Law 90-448, approved August 1, 1968, authorized interest credits to the accounts of certain qualified borrowers. Public Law 91-152, approved December 24, 1969, transferred the assets, liabilities, and authorizations of the Rural housing direct loan account to the Rural Housing Insurance Fund.

For other legislative information on the Rural Housing Insurance Fund and FmHA's housing program authorities, Title V of the Housing Act of 1949, as amended, serves as the Agency's primary source of substantive housing legislation.

Rural housing building and repair loans (Section 502 of the Housing Act of 1949, as amended) - Loans are made to enable eligible low-income applicants to purchase, construct, improve, alter, repair or replace dwellings in rural areas, if their need

for necessary housing cannot be met with financial assistance from other sources. Not less than 40 percent of the funding authorized nationally shall be set aside and not less than 30 percent in each State will be available for very low-income families. These loans bear a note rate based on the cost-of-money to the Treasury with provisions for interest credit, which may reduce the interest rate to as low as 1 percent under certain circumstances. Such loans may not exceed amounts necessary to provide adequate housing which is modest in size, design, and cost.

Building loans are made to farm owners, owners of other real estate in rural areas, others who are or will become rural residents, and long-term leaseholders. These loans are generally repayable in not more than 33 years; however, persons whose incomes do not exceed 60 percent of the median income for the area could receive loans with maturities of up to 38 years.

Rural housing very low-income repair loans (Section 504 of the Housing Act of 1949, as amended) - Loans are authorized to be made to very low-income individuals and families to repair or rehabilitate their dwellings. The loans are made at 1 percent for a term of not more than 20 years and presently have a maximum loan amount of \$15,000.

Rural rental and cooperative building loans (Section 515 of the Housing Act of 1949, as amended) - Loans are authorized to be made to individuals, corporations, Indian tribes, associations, public bodies, trusts, or partnerships to provide moderate cost rental or cooperative housing and related facilities for elderly or handicapped persons or families and other persons of low-, very low-, and moderate-income in rural areas. Priority for rural rental housing loans is for applicants proposing to serve low- and very low-income families and persons in most rural areas. These loans are repayable in not more than 50 years and currently bear a note rate based on the cost-of-money to the Treasury with provision for interest credits to benefit tenants by reducing the interest rate to as low as 1 percent under certain circumstances. These loans are made only if the need for necessary housing cannot be met with financial assistance from other sources except in the case of public bodies. The Farmers Home Administration has in the past made its rural rental housing loans in conjunction with the Department of Housing and Urban Development's Section 8 rent subsidy program. Loans made for units that have received Section 8 assistance bear an interest rate that is reduced either 1 percent or 2 percent below the unsubsidized rate, depending upon the circumstances of the individual project.

Rural housing site loans (Section 524 of the Housing Act of 1949, as amended) - Loans are made for the purchase and development of land to be subdivided into building sites for low- to moderate-income housing borrowers and rural rental and cooperative housing borrowers. Loans are made at a note rate based on the cost-of-money to the Treasury and are repayable in 2 years.

Farm labor housing loans (Section 514 of the Housing Act of 1949, as amended) - Loans are authorized to be made to a farm owner, to certain public or broad-based private nonprofit organizations, public bodies, or to a nonprofit organization of farmworkers to provide most living quarters, basic household furnishings, and related facilities, including land necessary for an adequate site, for domestic farm labor. Loans will be made based on a determination of need considering housing needs of domestic farm labor, including migrant farmworkers in the area without regard to other housing needs in the area. These loans are repayable in not more than 33 years and bear interest not in excess of 1 percent, except under certain circumstances. Loans to organizations may be made simultaneously with farm labor housing grants which are discussed elsewhere in these justifications.

JUSTIFICATION OF INCREASES AND DECREASES

The President's Budget proposes to support about 66,000 units in 1993. FmHA is proposing increases in the guaranteed single family housing loan program, and repropoing a 5,900 unit rural housing voucher program based on the same payment standards as section 521(a)(2)(A) of Title V of the Housing Act of 1949, as amended.

- (1) A decrease of \$845,000,000 in direct single family housing loans (\$1,295,000,000 available in FY 1992).

Need for Change. The Budget proposes to reduce direct single family housing loans with a compensating increase in guaranteed single family housing loans. The Agency expects that its new mix of programs will continue to serve its traditional rural borrowers.

Nature of Change. This level will finance an estimated 7,435 units and make 12,860 initial and subsequent loans in FY 1993.

- (2) A decrease of \$29,500,000 in unsubsidized guaranteed single family housing loans (\$329,500,000 available in FY 1992).

Need for Change. The Budget proposes to make slightly less use of guaranteed loans without interest assistance. This proposal will still allow the Agency to utilize private sector credit resources to a significant extent in meeting its housing program mission.

Nature of Change. This level will finance an estimated 5,750 units without interest assistance in FY 1993.

- (3) An increase of \$400,000,000 in subsidized guaranteed single family housing loans (zero available in FY 1992).

Need for Change. The Budget proposes to make use of guaranteed loans with interest assistance in lieu of a portion of the subsidized direct single family housing loans. This proposal allows the Agency to utilize private sector credit resources to a greater extent in meeting its housing program mission while providing borrowers with loan interest rates comparable to direct loans.

Nature of Change. This level will finance an estimated 7,310 units with interest assistance in FY 1993.

- (4) A decrease of \$232,900,000 in direct multi-family housing loans (\$573,900,000 available in FY 1992).

Need for Change. The Administration recognizes the need to continue financial assistance through the direct rental housing loan program. This proposed reduction will be offset by the proposed availability of 5,900 units of rural housing vouchers provided under the voucher program.

Nature of Change. This level will finance an estimated 8,200 units in FY 1993.

- (5) A decrease of \$230,000 in direct very low-income housing repair loans (\$11,330,000 available in FY 1992).

Need for Change. The Budget proposes a modest decrease in the housing repair loan program. In proposing essentially the same level as FY 1992, the Administration recognizes the continuing need for housing repair and rehabilitation assistance for very low-income rural residents living in substandard housing units having health and safety problems threatening the family or community. The Administration believes the modest decrease will have a minimal impact on the Agency's ability to provide assistance under this loan program.

Nature of Change. This level will assist 2,450 additional families with housing repair loans.

- (6) A decrease of \$50,000 in direct farm labor housing loans (\$16,300,000 available in FY 1992).

Need for Change. The Budget proposes essentially the same loan level as authorized in FY 1992 for farm labor housing loans. This level is about \$3 to \$5 million greater than recent year actual obligations. The Administration recognizes that there is a great need for adequate and suitable housing for both migrant and year-round farm laborers. The increase from recent levels

demonstrates higher national concern and increased support for the health and welfare of farm laborers who are so important to the Nation's agricultural processing.

Nature of Change. This loan program level in conjunction with the farm labor grants will produce an estimated 760 units in FY 1993.

- (7) A decrease of \$600,000 in direct site loans (\$600,000 available in FY 1992).

Need for Change. Historically this program has been utilized sporadically and at minimum levels. Little impact will result from not funding the program.

Nature of Change. No program is requested in FY 1993.

- (8) A decrease of \$50,000,000 in credit sales of acquired property (\$250,000,000 available in FY 1992).

Need for Change. Amount reflects the Agency's best estimate of credit sale loan activity in FY 1993.

Nature of Change. The level projected should be sufficient to provide all the direct loan financing required to enable the Agency to manage the timely sale of properties acquired in the servicing of its loan portfolio.

- (9) A decrease of \$191,119,000 in the direct loan subsidy (\$583,102,000 available in FY 1992).

Need for Change. The estimated subsidy amount is sufficient to support the direct loan obligations associated with the requested FY 1993 loan level, as required under the provisions of the Omnibus Budget Reconciliation Act of 1990. While the total subsidy has decreased, it should be noted that the direct loan subsidy rate associated with rural rental housing loans has been increased to reflect the cost of new construction rental assistance being included as part of the loan program in lieu of a separate new obligation authorization for new construction rental assistance.

- (10) An increase of \$99,107,000 in the guaranteed loan subsidy (\$3,723,000 available in FY 1992).

Need for Change. The estimated subsidy amount is necessary to support the subsidized and nonsubsidized guaranteed loan commitment authority requested in FY 1993, as required under the provisions of the Omnibus Budget Reconciliation Act of 1990. The subsidy estimate for subsidized guaranteed loans is based on a 3.75 percent interest rate reduction on the average loan.

- (11) An increase of \$633,000 in administrative expenses (\$427,111,000 available in FY 1992).

Need for Change. Justification for administrative expenses in the amount of \$383,214,000 and the associated staff-years are reflected in the Salaries and Expenses Project Statement, since that amount will be transferred to Salaries and Expenses. The balance of \$44,530,000 will be retained by the program account for obligation of program-related, nonrecoverable costs such as appraisals and inspections. These costs were funded under the liquidating account in FY 1992.

(c) Rural Housing Insurance Fund Direct Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this off-budgetary account records the obligations and cash flows to and from the Government resulting from direct loans obligated in FY 1992 and beyond. These cash flows may include, but are not limited to, direct loan subsidy payments from the subsidy account, loan disbursements, principal repayments and interest payments from borrowers, prepayments or fees, proceeds from the sale of loans, and interest paid on Treasury borrowing. In addition, this account will keep track of the available budget authority for direct loan disbursements and has permanent indefinite budget

authority to borrow from the Treasury in order to finance direct loan disbursements. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

(d) Rural Housing Insurance Fund Guaranteed Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this off-budgetary account records the commitments and cash flows to and from the Government associated with guaranteed loan commitments made in FY 1992 and beyond. These cash flows may include, but are not limited to, guaranteed loan subsidy payments from the program account, default claims on guaranteed loan commitments, fees, collections on defaulted loans and receipt of interest on uninvested funds. In addition, this account will keep track of the available budget authority for guaranteed loan commitments. The account will also maintain a reserve to cover payments for defaults on guaranteed loans. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
Low Income Loan Program-Direct Loans

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	37,149,410	30,729,000	12,598,890
Alaska.....	1,791,340	4,225,000	1,732,250
Arizona.....	11,240,370	11,539,000	4,730,990
Arkansas.....	28,761,580	22,938,000	9,404,580
California.....	59,100,800	41,925,000	17,189,250
Colorado.....	10,924,960	10,056,000	4,122,960
Connecticut.....	13,596,910	8,511,000	3,489,510
Delaware.....	4,346,870	2,804,000	1,149,640
Florida.....	45,433,010	29,181,000	11,964,210
Georgia.....	35,393,210	39,601,000	16,236,410
Hawaii.....	9,633,730	3,832,000	1,571,120
Idaho.....	7,843,620	7,794,000	3,195,540
Illinois.....	27,495,530	34,222,000	14,031,020
Indiana.....	36,962,650	31,711,000	13,001,510
Iowa.....	22,061,940	20,444,000	8,382,040
Kansas.....	15,969,650	15,302,000	6,273,820
Kentucky.....	32,535,820	35,840,000	14,694,400
Louisiana.....	18,909,180	26,784,000	10,981,440
Maine.....	30,645,080	11,603,000	4,757,230
Maryland.....	20,440,540	13,124,000	5,380,840
Massachusetts.....	23,029,980	14,194,000	5,819,540
Michigan.....	43,220,550	40,091,000	16,437,310
Minnesota.....	29,205,860	23,365,000	9,579,650
Mississippi.....	43,663,750	26,701,000	10,947,410
Missouri.....	31,291,650	28,676,000	11,757,160
Montana.....	3,450,240	6,621,000	2,714,610
Nebraska.....	5,396,560	9,771,000	4,006,110
Nevada.....	5,066,580	2,345,000	961,450
New Hampshire.....	23,028,310	7,111,000	2,915,510
New Jersey.....	14,363,880	11,279,000	4,624,390
New Mexico.....	12,979,840	9,531,000	3,907,710
New York.....	44,784,640	40,165,000	16,467,650
North Carolina.....	55,699,430	53,904,000	22,100,640
North Dakota.....	4,099,690	5,534,000	2,268,940
Ohio.....	45,611,970	46,730,000	19,159,300
Oklahoma.....	11,518,870	19,616,000	8,042,560
Oregon.....	20,375,160	16,069,000	6,588,290
Pennsylvania.....	68,219,568	55,682,000	21,759,515
Rhode Island.....	2,438,760	1,781,000	730,210
South Carolina.....	39,538,450	27,328,000	11,204,480
South Dakota.....	11,580,780	6,781,000	2,780,210
Tennessee.....	39,029,320	33,930,000	13,911,300
Texas.....	25,370,710	60,300,000	23,652,895
Utah.....	6,787,920	4,448,000	1,823,680
Vermont.....	15,868,630	5,561,000	2,280,010
Virginia.....	43,598,690	34,176,000	14,012,160
Washington.....	26,024,290	18,874,000	7,738,340
West Virginia.....	26,679,430	22,071,000	9,049,110
Wisconsin.....	30,096,690	27,312,000	11,197,920
Wyoming.....	4,189,370	3,959,000	1,623,190
Puerto Rico.....	39,847,200	28,932,000	11,862,120
Trust Territories..	1,023,460	4,600,000	1,886,000
Virgin Islands.....	2,133,740	3,178,000	1,302,980
General Reserve....	--	67,469,000	--
Designated Reserves	--	124,750,000	--
Mortgage Demo. Project	6,779,694	--	--
Total Avail./Est....	1,276,229,862	1,295,000,000 1/	450,000,000

1/ This includes up to \$35 million for the Deferred Mortgage Demonstration Project.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
Low Income Loan Program-Guaranteed Non-Subsidized Loans

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	--	8,198,000	7,870,080
Alaska.....	--	1,364,000	1,309,440
Arizona.....	346,700	3,391,000	3,255,360
Arkansas.....	366,900	6,433,000	6,175,680
California.....	254,800	13,843,000	13,289,280
Colorado.....	104,500	3,173,000	3,046,080
Connecticut.....	--	2,611,000	2,506,560
Delaware.....	--	1,000,000	960,000
Florida.....	--	8,793,000	8,441,280
Georgia.....	620,990	11,522,000	11,061,120
Hawaii.....	--	1,451,000	1,392,960
Idaho.....	--	2,203,000	2,114,880
Illinois.....	--	9,679,000	9,291,840
Indiana.....	--	8,161,000	7,834,560
Iowa.....	259,000	5,368,000	5,153,280
Kansas.....	--	4,017,000	3,856,320
Kentucky.....	889,330	9,805,000	9,412,800
Louisiana.....	151,500	7,347,000	7,053,120
Maine.....	848,700	3,566,000	3,423,360
Maryland.....	--	3,804,000	3,651,840
Massachusetts.....	--	4,634,000	4,448,640
Michigan.....	43,000	11,067,000	10,624,320
Minnesota.....	--	6,161,000	5,914,560
Mississippi.....	--	7,320,000	7,027,200
Missouri.....	1,949,850	7,744,000	7,434,240
Montana.....	--	1,809,000	1,736,640
Nebraska.....	--	2,401,000	2,304,960
Nevada.....	--	1,000,000	960,000
New Hampshire.....	--	2,276,000	2,184,960
New Jersey.....	--	3,490,000	3,350,400
New Mexico.....	--	2,744,000	2,634,240
New York.....	--	12,228,000	11,738,880
North Carolina.....	298,000	15,211,000	14,602,560
North Dakota.....	--	1,446,000	1,388,160
Ohio.....	1,679,415	13,011,000	12,490,560
Oklahoma.....	--	5,143,000	4,937,280
Oregon.....	--	5,041,000	4,839,360
Pennsylvania.....	62,500	15,847,000	15,213,120
Rhode Island.....	--	1,000,000	960,000
South Carolina.....	278,340	7,775,000	7,464,000
South Dakota.....	--	1,928,000	1,850,880
Tennessee.....	264,900	9,096,000	8,732,160
Texas.....	--	16,086,000	14,938,560
Utah.....	--	1,245,000	1,195,200
Vermont.....	--	1,825,000	1,752,000
Virginia.....	--	9,451,000	9,072,960
Washington.....	--	5,746,000	5,516,160
West Virginia.....	--	5,943,000	5,705,280
Wisconsin.....	--	7,425,000	7,128,000
Wyoming.....	--	1,166,000	1,119,360
Puerto Rico.....	--	8,037,000	7,715,520
Trust Territories....	--	1,000,000	960,000
Virgin Islands.....	--	1,000,000	960,000
General Reserve.....	--	16,475,000	--
Total, Available or Estimate.....	8,418,425	329,500,000	300,000,000

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
Low Income Loan Program-Guaranteed Subsidized Loans

	1991 Amount	1992 Amount	1993 Amount
Arizona.....	978,100	--	--
Arkansas.....	66,700	--	--
California.....	3,502,450	--	--
Colorado.....	182,000	--	--
Georgia.....	7,773,740	--	--
Iowa.....	516,400	--	--
Kentucky.....	739,730	--	--
Louisiana.....	1,272,930	--	--
Maine.....	514,900	--	--
Michigan.....	168,100	--	--
Mississippi.....	95,900	--	--
Missouri.....	503,490	--	--
North Carolina.....	4,157,660	--	--
Ohio.....	2,980,950	--	--
Pennsylvania.....	1,562,640	--	--
South Carolina.....	4,650,890	--	--
Tennessee.....	168,500	--	--
Texas.....	23,348	--	--
Virginia.....	81,500	--	--
Washington.....	42,500	--	--
Total, Available or Estimate.....	29,982,428	--	400,000,000 1/

1/ Cannot be distributed by geographic area in advance.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
Rural Rental Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	16,704,430	15,781,000	11,046,700
Alaska.....	1,493,800	2,094,000	1,465,800
Arizona.....	7,545,850	5,909,000	4,136,300
Arkansas.....	12,886,280	11,806,000	8,264,200
California.....	23,192,150	17,062,000	11,943,400
Colorado.....	4,503,380	3,901,000	2,730,700
Connecticut.....	4,705,070	2,414,000	1,689,800
Delaware.....	4,063,550	1,750,000	1,225,000
Florida.....	19,370,200	12,594,000	8,815,800
Georgia.....	24,562,590	19,638,000	13,746,600
Hawaii.....	--	1,794,000	1,255,800
Idaho.....	4,258,360	3,347,000	2,342,900
Illinois.....	9,907,950	12,400,000	8,680,000
Indiana.....	13,856,450	11,367,000	7,956,900
Iowa.....	10,989,390	7,566,000	5,296,200
Kansas.....	6,102,780	5,656,000	3,959,200
Kentucky.....	17,111,240	18,970,000	13,279,000
Louisiana.....	15,689,750	14,216,000	9,951,200
Maine.....	7,988,350	4,873,000	3,411,100
Maryland.....	5,917,660	4,904,000	3,432,800
Massachusetts.....	6,436,650	4,487,000	3,140,900
Michigan.....	14,871,020	14,529,000	10,170,300
Minnesota.....	11,611,710	9,348,000	6,543,600
Mississippi.....	17,040,580	14,998,000	10,498,600
Missouri.....	16,129,720	12,277,000	8,593,900
Montana.....	2,756,680	2,680,000	1,876,000
Nebraska.....	7,418,750	3,736,000	2,615,200
Nevada.....	2,742,300	1,750,000	1,225,000
New Hampshire.....	2,739,940	2,424,000	1,696,800
New Jersey.....	6,891,600	3,453,000	2,417,100
New Mexico.....	6,172,880	5,250,000	3,675,000
New York.....	22,101,390	13,954,000	9,767,800
North Carolina.....	35,116,570	24,464,000	17,124,800
North Dakota.....	595,406	2,367,000	1,656,900
Ohio.....	22,221,530	17,457,000	12,219,900
Oklahoma.....	7,864,010	8,948,000	6,263,600
Oregon.....	7,338,950	6,107,000	4,274,900
Pennsylvania.....	19,579,930	19,400,000	13,580,000
Rhode Island.....	2,173,000	1,750,000	1,225,000
South Carolina.....	16,476,340	13,391,000	9,373,700
South Dakota.....	8,160,610	3,232,000	2,262,400
Tennessee.....	14,444,430	16,504,000	11,552,800
Texas.....	29,241,200	28,384,000	19,633,550
Utah.....	2,690,520	1,954,000	1,367,800
Vermont.....	4,513,500	2,102,000	1,471,400
Virginia.....	16,950,650	15,190,000	10,633,000
Washington.....	7,685,310	7,046,000	4,932,200
West Virginia.....	11,083,520	10,169,000	7,118,300
Wisconsin.....	12,996,220	9,787,000	6,850,900
Wyoming.....	1,053,000	1,750,000	1,225,000
Puerto Rico.....	26,888,854	27,385,000	18,934,250
Trust Territories..	--	1,750,000	1,225,000
Virgin Islands.....	1,499,000	1,750,000	1,225,000
N/O Reserves.....	--	86,085,000	--
Total Avail./Est...	576,335,000	573,900,000	341,000,000

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
Very-Low Income Housing Repair Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	390,200	292,000	328,208
Alaska.....	22,500	49,000	55,076
Arizona.....	40,000	116,000	130,384
Arkansas.....	341,080	213,000	239,412
California.....	254,440	348,000	391,152
Colorado.....	91,560	75,000	84,300
Connecticut.....	2,640	47,000	52,828
Delaware.....	19,130	21,000	24,978
Florida.....	208,120	232,000	260,768
Georgia.....	256,310	362,000	406,888
Hawaii.....	9,960	39,000	43,836
Idaho.....	41,500	60,000	67,440
Illinois.....	254,780	253,000	284,372
Indiana.....	97,240	225,000	252,900
Iowa.....	234,230	146,000	164,104
Kansas.....	52,560	110,000	123,640
Kentucky.....	483,160	351,000	394,524
Louisiana.....	250,070	262,000	294,488
Maine.....	185,290	93,000	104,532
Maryland.....	40,700	100,000	112,400
Massachusetts.....	135,190	90,000	101,160
Michigan.....	334,430	284,000	319,216
Minnesota.....	199,220	182,000	204,568
Mississippi.....	385,180	267,000	300,108
Missouri.....	197,960	231,000	259,644
Montana.....	16,250	52,000	58,448
Nebraska.....	46,390	69,000	77,556
Nevada.....	19,540	18,000	20,232
New Hampshire.....	62,650	48,000	53,952
New Jersey.....	80,560	67,000	75,308
New Mexico.....	146,940	99,000	111,276
New York.....	204,930	265,000	297,860
North Carolina.....	476,590	465,000	522,660
North Dakota.....	10,810	42,000	47,208
Ohio.....	410,910	346,000	388,904
Oklahoma.....	62,800	169,000	189,956
Oregon.....	193,320	122,000	137,128
Pennsylvania.....	917,510	388,000	436,112
Rhode Island.....	--	11,000	13,738
South Carolina.....	298,520	251,000	282,124
South Dakota.....	85,180	55,000	61,820
Tennessee.....	265,220	307,000	345,068
Texas.....	679,770	557,000	626,068
Utah.....	17,430	36,000	40,464
Vermont.....	143,490	39,000	43,836
Virginia.....	237,800	311,000	349,564
Washington.....	160,540	143,000	160,732
West Virginia.....	294,460	199,000	223,676
Wisconsin.....	313,600	199,000	223,676
Wyoming.....	29,950	32,000	35,968
Puerto Rico.....	263,600	356,000	400,144
Trust Territories..	1,211,616	754,000	847,496
Virgin Islands.....	--	25,000	28,100
Loan Cost.....	114,294	--	--
General Reserve....	--	890,000	--
Designated Reserve..	--	567,000	--
Total Avail./Est...	11,292,120	11,330,000	11,100,000

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
Farm Labor Housing Loan Program

	1991 Amount	1992 Amount	1993 Amount
Arizona.....	722,700		
Arkansas.....	561,900	--	--
California.....	5,238,680	--	--
Colorado.....	43,870	--	--
Florida.....	2,880,500	--	--
Hawaii.....	275,130	--	--
Maine.....	62,000	--	--
Michigan.....	628,180	--	--
Minnesota.....	40,780	--	--
Mississippi.....	588,800	--	--
New Hampshire.....	200,200	--	--
New Jersey.....	516,000	--	--
New York.....	595,990	--	--
Oregon.....	612,000	--	--
Vermont.....	73,250	--	--
Washington.....	684,760	--	--
Wisconsin.....	111,600	--	--
Total Avail./Est....	13,836,340	16,300,000 1/	16,250,000 1/

Rural Housing Site Loan Program

California.....	379,000	--	--
Minnesota.....	220,993	--	--
Total Avail./Est...	599,993	600,000 1/	--

1/ Cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (deleted matter enclosed in brackets):

Self-Help Housing Land Development Fund Program Account:

[For direct loans pursuant to section 523(b)(1)(B) of the Housing Act of 1949, as amended (42 U.S.C. 1490c), \$500,000.

For an amount, for the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, of direct loans, \$43,000.

In addition, for administrative expenses necessary to carry out the direct loan program, \$21,000.]

This change eliminates the authority to make direct loans for this program. No authority is requested for FY 1993.

SELF-HELP HOUSING LAND DEVELOPMENT FUND

The 1993 budget reflects the new credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. Loan levels are included in the appropriation language. The appropriation language also specifies the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the net present value of estimated cash flows over the lifetime of the loans; whereas outlays represent the portion of the subsidy related to the loan amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a "financing account" and are considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for pre-credit reform portfolios of loans are reflected in the Budget in "liquidating accounts" and are calculated as before, to represent disbursements, borrower repayments and borrower payments.

(a) Self-Help Housing Land Development Fund - Liquidating Account

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, the pre-credit reform revolving fund account will be referred to as a liquidating account. No new loans and no administrative expense will be charged to it after FY 1991. The liquidating account will be used to liquidate the loans made prior to FY 1992, as long as the terms and conditions of these loans do not change. Activity of this account will include, account loan disbursements, collection of interest, loan repayments and prepayments, proceeds from the sale of acquired property, fees, and other revenues and expenses related to obligations made prior to FY 1992. FY 1991 actual activity is included in the sections that follow, they are provided for comparability purposes only.

(b) Self-Help Housing Land Development Fund Program Account
(On the basis of loan level, subsidy, and administrative expense)
(In thousands of dollars)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expense</u>
Appropriation Act, FY 1992.....	\$500	\$43	\$21
Budget Estimate, FY 1993.....	0	0	0
Decrease in Amount.....	-500	-43	-21
	=====	=====	=====

PROJECT STATEMENT

(On basis of loan level, subsidy and administrative expense)
(in thousands of dollars)

Project	1991 Actual	1992 Appropriated	Decrease	1993 Estimated
Self-help housing site loans:				
Direct loans.....	\$500	\$500	\$-500 (1)	\$0
Direct loan subsidy.....	0	43	-43 (2)	0
Administrative expense.....	0	21	-21 (3)	0

Staff-years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT

(On basis of 1992 loan level and subsidy supportable
under 1992 Appropriation Act)
(In thousands of dollars)

Item of Change	1992 Appropriated	Decrease	1992 Current Estimate
Self-help housing site loans:			
Direct loans.....	\$500	0	\$500
Direct loan subsidy.....	43	\$-21	22

EXPLANATION OF PROGRAM

This revolving fund is authorized under Section 523(b)(1)(B) of the Housing Act of 1949, as amended. The fund is used for making loans to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to eligible families, nonprofit organizations, and cooperatives.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$500,000 for mutual and self-help housing site loan program (\$500,000 available in FY 1992).

Need for Change. There has been little or no demand for this program throughout the years. Families eligible to be assisted under this program may request assistance under other programs of the Agency. Also, HUD programs are available providing affordable housing to low- and very low-income families.

Nature of Change. No program is requested for FY 1993.

- (2) A decrease of \$43,000 on the direct loan subsidy (\$43,000 available in FY 1992).

Need for Change. No direct loan subsidy is requested since no direct loan level is requested in FY 1993.

- (3) A decrease of \$21,000 in administrative expenses (\$21,000 available in FY 1992).

Need for Change. Since no direct loan program is proposed for FY 1993, the request for administrative expenses for these programs is included in the Salaries and Expenses Account.

(c) Self-Help Housing Land Development Fund Direct Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this non-budgetary

account records the obligations and cash flows to and from the Government resulting from direct loans obligated in FY 1992 and beyond. These cash flows may include, but are not limited to, direct loan subsidy payments from the subsidy account, loan disbursements, principal repayments, and interest payments from borrowers, prepayments or fees, proceeds from the sale of loans, and interest paid on Treasury borrowing. In addition, this account will keep track of the available budget authority for direct loan disbursements and has permanent, indefinite authority to borrow to finance direct loan disbursements. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Self-Help Housing Land Development Fund

	1991 Amount	1992 Amount	1993 Amount
	<u> </u>	<u> </u>	<u> </u>
California.....	499,994	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Avail./Est...	499,994	500,000 1/	--
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

1/ Cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing for Domestic Farm Labor:

For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), [~~\$11,000,000~~] \$10,000,000, to remain available until expended.

Rural Housing for Domestic Farm Labor

Appropriation Act, 1992.....	\$11,000,000
Budget Estimate, 1993.....	<u>10,000,000</u>
Decrease in Appropriation.....	<u>-1,000,000</u>

PROJECT STATEMENT

(On basis of adjusted appropriation
and on basis of obligations under available funds)

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Rural housing for domestic:				
farm labor grants.....	\$10,667,164	\$13,758,372	\$-3,758,372	\$10,000,000
Unobligated balance				
available, start of year:	-2,024,635	-2,758,372	2,758,372	0
Recovery of prior year				
obligations.....	-401,044	0	0	0
Unobligated balance				
available, end of year..	<u>2,758,372</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total estimate.....	10,999,857	<u>11,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>
GRH reduction.....	<u>143</u>			
Total Appropriation.....	<u>11,000,000</u>			

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

Under section 516 of the Housing Act of 1949, FmHA is authorized to share with state or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farmworkers the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy, and may consist of family unit apartments or dormitory-type units, constructed in an economical manner. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing from either private sources or obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rents that do not exceed amounts approved by the Secretary, maintain the housing in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless terminated sooner by Farmers Home Administration. Grant obligations are secured by a mortgage on the housing or other security. In the event of default, the Farmers Home Administration has the option to require repayment of the grant.

Justification of Decrease

A decrease of \$1,000,000 for rural housing for domestic farm labor (\$11,000,000 available in FY 1992).

Need for Change. The Administration recognizes the need to continue financial assistance for this program. However, the Department encourages this housing grant program be coordinated with the Department of Housing and Urban Development (HUD). The budget recommends that any additional grant funds needed be sought through HUD's newly created HOME Partnership block grant funds, and that FmHA will establish a working relationship with the State and local boards who will receive HOME funding and guide prospective grant recipients to these boards. FmHA can also provide housing assistance to the domestic farm laborer through its Section 521 Rental Assistance Program and the the proposed Rural Housing Voucher Program.

Nature of Change. The requested amount will provide assistance for 760 housing units, in combination with the approximate \$16,250,000 requested for the loan program, involving the award of 15 grants or contracts.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Farm Labor Housing Grants

	1991 Amount	1992 Amount	1993 Amount
	<u> </u>	<u> </u>	<u> </u>
California.....	4,032,860	--	--
Colorado.....	444,291	--	--
Delaware.....	13	--	--
Florida.....	3,828,470	--	--
Minnesota.....	367,020	--	--
New Mexico.....	51,600	--	--
New York.....	194,580	--	--
Oregon.....	775,900	--	--
Texas.....	386,050	--	--
Washington.....	586,380	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Avail./Est...	10,667,164	11,000,000 1/	10,000,000 1/
	<u> </u>	<u> </u>	<u> </u>

1/ Cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (deleted matter enclosed in brackets):

Mutual and Self-Help Housing Grants:

[For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$8,750,000.]

This change eliminates the appropriation language for this program. No appropriation is requested for fiscal year 1993.

Mutual and Self-Help Housing Grants

Appropriation Act, 1992.....	\$8,750,000
Budget Estimate, 1993.....	--
Decrease in Appropriation.....	-8,750,000
	=====

PROJECT STATEMENT

(On basis of adjusted appropriation and
on basis of obligations under available funds)

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Mutual and self-help housing grants.....	\$13,205,852	\$14,623,024	\$-14,623,024	0
Recovery of prior year obligations.....	-652,541	0	0	0
Unobligated balance avail- able, start of year.....	-9,676,449	-5,873,024	5,873,024	0
Unobligated balance avail- able, end of year.....	5,873,024	0	0	0
Total estimate.....	8,749,886	8,750,000	-8,750,000	0
GRH reduction.....	114	=====		
Total appropriation.....	8,750,000			

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under section 523 of the Housing Act of 1949, as amended. Grants are made to local organizations to promote the development of mutual or self-help housing programs under which groups of usually six to ten families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families to guide them in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

This program also provides for contract funds for training to be provided to members and staff of self-help technical assistance grant recipient organizations which sponsor and supervise self-help projects.

JUSTIFICATION OF DECREASE

A decrease of \$8,750,000 for mutual and self-help housing (8,750,000 available in FY 1992).

Need for Change. The Agency has other programs that provide assistance to low and very low-income families to obtain adequate housing. The proposed Rural Housing Voucher Program and the Section 521 Rental Assistance Payment Program provide a greater choice of housing opportunities to eligible program recipients. The budget recommends that grant funds needed be sought through the Housing and Urban Development's newly created HOME Partnership block grant program. FmHA will establish a working relationship with the State and local boards who will receive HOME funding and guide prospective grant recipients to these boards.

Nature of Change. No appropriation is requested for FY 1993.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Mutual and Self-Help Housing Grants

	1991 Amount	1992 Amount	1993 Amount
	<u> </u>	<u> </u>	<u> </u>
Arizona.....	439,800	--	--
Arkansas.....	329,920	--	--
California.....	6,924,640	--	--
Colorado.....	216,000	--	--
Delaware.....	287,330	--	--
Florida.....	566,921	--	--
Hawaii.....	427,740	--	--
Maine.....	10,000	--	--
Maryland.....	191,010	--	--
Massachusetts.....	294,080	--	--
Minnesota.....	4,210	--	--
Mississippi.....	189,700	--	--
New Mexico.....	250,750	--	--
Oklahoma.....	1,103,001	--	--
Texas.....	25,000	--	--
Washington.....	1,152,700	--	--
Wisconsin.....	743,050	--	--
N/O Contract.....	50,000	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Avail./Est...	13,205,852	8,750,000 1/	--
	<u> </u>	<u> </u>	<u> </u>

1/ Cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Very Low-Income Housing Repair Grants:

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, [\$12,500,000] \$5,000,000, to remain available until expended.

Very Low-Income Housing Repair Grants

Appropriation Act, 1992.....	\$12,500,000
Budget Estimate, 1993.....	5,000,000
Decrease in Appropriation.....	-7,500,000
	=====

PROJECT STATEMENT

(On basis of adjusted appropriation and
on basis of obligations under available funds)

Project	1991 Actual	1992 Estimated	Increase : Decrease :	1993 Estimated
Very low-income housing repair grants.....	\$12,739,598	\$12,519,927	-\$7,519,927	\$5,000,000
Recovery of prior year obligations.....	-235,951	0	0	0
Unobligated balance avail- able, start of year.....	-23,736	-19,927	19,927	0
Unobligated balance avail- able, end of year.....	19,927	0	0	0
Total estimate.....	12,499,838	12,500,000	-7,500,000	5,000,000
GRH reduction.....	162	=====		
Total appropriation.....	12,500,000			
	=====			

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under section 504 of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants to very low-income elderly owner-occupants to make necessary repairs to improve and modernize their dwellings in order to remove safety and health hazards.

The grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, installing screens, repairing or providing structural supports, or making similar repairs, additions, or improvements including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan. The Agency has determined that grants carry a lifetime assistance limitation of \$5,000 per recipient; and the maximum loan assistance is \$15,000.

JUSTIFICATION OF DECREASE

A decrease of \$7,500,000 for the very low-income housing repair grants (\$12,500,000 available in 1992).

Need for Change. FmHA proposes to continue providing very low-income grants, but at a reduced level. The reduction is more than offset by the \$140 million requested for the proposed Rural Housing Voucher Program will provide eligible families with alternate housing choices that could prove more suitable to a wide number of elderly families who cannot afford a one percent interest rate loan. Also, States and private non-profit organizations provide similar programs.

Nature of Change. At this level FmHA would still provide 1,343 grants to eligible very low-income elderly applicants.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Very-Low Income Housing Repair Grant Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	390,150	318,000	143,100
Alaska.....	10,700	42,000	28,900
Arizona.....	184,320	123,000	55,350
Arkansas.....	358,170	249,000	112,050
California.....	274,470	403,000	181,350
Colorado.....	104,860	86,000	38,700
Connecticut.....	40,750	67,000	30,150
Delaware.....	45,270	25,000	21,700
Florida.....	351,870	312,000	140,400
Georgia.....	523,240	392,000	176,400
Hawaii.....	44,670	39,000	17,550
Idaho.....	60,610	69,000	31,050
Illinois.....	374,330	334,000	150,300
Indiana.....	260,050	279,000	125,550
Iowa.....	237,950	206,000	92,700
Kansas.....	131,330	157,000	70,650
Kentucky.....	417,530	369,000	166,050
Louisiana.....	390,930	277,000	124,650
Maine.....	184,500	111,000	49,950
Maryland.....	113,580	115,000	51,750
Massachusetts.....	113,920	127,000	57,150
Michigan.....	382,360	350,000	157,500
Minnesota.....	270,080	235,000	105,750
Mississippi.....	331,410	284,000	127,800
Missouri.....	321,040	296,000	133,200
Montana.....	28,210	61,000	27,450
Nebraska.....	138,270	100,000	45,000
Nevada.....	22,140	20,000	9,000
New Hampshire.....	73,360	62,000	27,900
New Jersey.....	134,340	97,000	43,650
New Mexico.....	104,920	97,000	43,650
New York.....	413,550	353,000	158,850
North Carolina.....	572,290	513,000	230,850
North Dakota.....	57,710	55,000	24,750
Ohio.....	455,570	417,000	187,650
Oklahoma.....	227,980	209,000	94,050
Oregon.....	170,460	151,000	67,950
Pennsylvania.....	803,058	514,000	231,300
Rhode Island.....	5,350	15,000	16,750
South Carolina.....	325,480	263,000	118,350
South Dakota.....	214,910	70,000	31,500
Tennessee.....	470,770	341,000	153,450
Texas.....	784,490	641,000	287,550
Utah.....	29,300	40,000	28,450
Vermont.....	49,250	49,000	22,050
Virginia.....	357,760	333,000	149,850
Washington.....	177,520	170,000	76,500
West Virginia.....	270,800	218,000	98,100
Wisconsin.....	285,130	260,000	117,000
Wyoming.....	40,140	35,000	15,750
Puerto Rico.....	376,060	337,000	151,650
Trust Territories..	215,480	300,000	135,000
Virgin Islands.....	17,210	14,000	16,300
General Reserve....	--	875,000	--
Designated Reserve.	--	625,000	--
Total Avail./Est...	12,739,598	12,500,000	5,000,000

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets).

Rural Housing Preservation Grants:

For grants for rural housing preservation as authorized by section 552 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 99-181),
 [\$23,000,000] \$10,000,000.

Rural Housing Preservation Grants

Appropriation Act, 1992.....	\$23,000,000
Budget Estimate, 1993.....	<u>10,000,000</u>
Decrease in Appropriation.....	<u>-13,000,000</u>

PROJECT STATEMENT
 (On basis of appropriation)

Project	1991 Actual	1992 Estimated	Decrease	1993 Estimated
Rural housing preservation:				
grants, estimate.....	\$22,999,701	\$23,000,000	-\$13,000,000	\$10,000,000
GRH reduction.....	299			
Total Appropriation.....	<u>23,000,000</u>			

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible private nonprofit groups, Indian tribes, and government agencies for the rehabilitation of single family housing owned by low-income and very low-income families and the rehabilitation of rental and cooperative housing for low and very low-income families.

JUSTIFICATION OF DECREASE

A decrease of \$13,000,000 for housing preservation grants (\$23,000,000 available in FY 1992).

Need for Change. The Administration proposes to continue financial assistance for this program. However, in the future, the Department encourages this housing grant program be coordinated with the Department of Housing and Urban Development (HUD). The Budget recommends that any additional grant funds needed be sought through HUD's newly created HOME Partnership block grant funds, and that FmHA will establish a working relationship with the State and local boards who will receive HOME funding and guide prospective grant recipients to these boards. FmHA can also provide housing assistance through its Section 521 Rental Assistance Program and the proposed Rural Housing Voucher Program.

Nature of Change. The amount requested is estimated to provide assistance to rehabilitate 1,950 units through 75 grants.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Preservation Grant Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	611,000	611,000	296,335
Alaska.....	--	168,000	81,480
Arizona.....	292,000	292,000	141,620
Arkansas.....	580,430	483,000	234,255
California.....	641,300	653,000	316,705
Colorado.....	300,000	226,000	109,610
Connecticut.....	178,000	178,000	86,330
Delaware.....	200,000	136,000	65,960
Florida.....	482,200	508,000	246,380
Georgia.....	443,300	737,000	357,445
Hawaii.....	158,000	158,000	76,630
Idaho.....	416,000	208,000	100,880
Illinois.....	638,100	502,000	243,470
Indiana.....	606,000	468,000	226,980
Iowa.....	395,000	345,000	167,325
Kansas.....	282,000	283,000	137,255
Kentucky.....	673,000	715,000	346,775
Louisiana.....	744,190	561,000	272,085
Maine.....	280,000	258,000	125,130
Maryland.....	352,000	259,000	125,615
Massachusetts.....	305,000	245,000	118,825
Michigan.....	571,000	571,000	276,935
Minnesota.....	482,000	403,000	195,455
Mississippi.....	786,000	586,000	284,210
Missouri.....	498,000	498,000	241,530
Montana.....	254,000	187,000	90,695
Nebraska.....	300,000	221,000	107,185
Nevada.....	150,000	128,000	62,080
New Hampshire.....	179,000	179,000	86,815
New Jersey.....	306,000	212,000	102,820
New Mexico.....	332,000	270,000	130,950
New York.....	552,000	552,000	267,720
North Carolina.....	941,320	893,000	433,105
North Dakota.....	337,380	177,000	85,845
Ohio.....	619,000	666,000	323,010
Oklahoma.....	590,000	390,000	189,150
Oregon.....	361,000	298,000	144,530
Pennsylvania.....	729,000	729,000	353,565
Rhode Island.....	114,000	118,000	57,230
South Carolina.....	600,000	534,000	258,990
South Dakota.....	358,750	205,000	99,425
Tennessee.....	635,000	635,000	268,475
Texas.....	1,020,000	1,020,000	494,700
Utah.....	200,000	163,000	79,055
Vermont.....	329,500	168,000	81,480
Virginia.....	665,000	592,000	287,120
Washington.....	395,000	328,000	159,080
West Virginia.....	429,230	430,000	208,550
Wisconsin.....	417,000	417,000	202,245
Wyoming.....	283,000	148,000	71,780
Puerto Rico.....	988,000	988,000	479,180
N/O Reserve.....	--	2,300,000	--
Total Avail./Est...	22,999,700	23,000,000	10,000,000

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this items follows (deleted matter enclosed in brackets):

Compensation for Construction Defects:

[For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, \$500,000, to remain available until expended.]

This change eliminates the appropriation language for this program. No appropriation is requested for fiscal year 1993.

Compensation for Construction Defects

Appropriation Act, 1992.....	\$500,000
Budget Estimate, 1993.....	0
Decrease in Appropriation.....	-500,000
	=====

PROJECT STATEMENT

(On basis of adjusted appropriation and
on basis of obligations under available funds)

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Very low-income housing				
repair grants.....	\$168,599	\$1,356,385	-\$1,356,385	0
Recovery of prior year				
obligations.....	-5,846	0	0	0
Unobligated balance available				
start of year.....	-519,144	-856,385	856,385	0
Unobligated balance available				
end of year.....	856,385	0	0	0
Total estimate.....	499,994	500,000	-500,000	0
GRH reduction.....	6			
Total appropriation.....	500,000			
	=====			

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with FmHA financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within eighteen months after the date financial assistance was granted.

JUSTIFICATION OF DECREASE

A decrease of \$500,000 for compensation for construction defects program (\$500,000 available in 1992).

Need for Change. The borrowers, with assistance from the Agency, should pursue the contractor to correct any structural or construction defects under the terms of the payment and performance bond or the construction guarantee.

Nature of Change. Better and closer inspection by the Agency should make these payments unnecessary. Also, financial assistance could be added to the section 502 housing loan for the borrower to purchase a construction guarantee from a private insurer.

Farmers Home Administration
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
 1991 and Estimated 1992 and 1993

Compensation for Construction Defects

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	19,799	--	--
Iowa.....	6,969	--	--
Kentucky.....	7,735	--	--
Louisiana.....	200	--	--
Michigan.....	22,360	--	--
Mississippi.....	26,397	--	--
Missouri.....	18,858	--	--
New Mexico.....	2,000	--	--
New York.....	11,429	--	--
North Carolina.....	4,506	--	--
Ohio.....	2,070	--	--
Pennsylvania.....	13,311	--	--
South Carolina.....	1,800	--	--
South Dakota.....	1,460	--	--
Texas.....	10,338	--	--
Utah.....	2,600	--	--
Virginia.....	1,320	--	--
Wisconsin.....	3,477	--	--
Virgin Islands.....	11,970	--	--
Total Avail./Est...	168,599	500,000 1/	--

1/ Cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (deleted matter enclosed in brackets):

Supervisory and Technical Assistance Grants:

[For grants pursuant to section 509(g)(6) and 525 of the Housing Act of 1949, \$2,500,000 to remain available until expended.]

This change eliminates the appropriation language for this program. No appropriation is requested for requested for fiscal year 1993.

Note: The section 509(g)(6) should be section 509(f)(6)

Supervisory and Technical Assistance Grants

Appropriation Act, 1992.....	\$ 2,500,000
Budget Estimate, 1993.....	0
Decrease in Appropriation.....	<u>-2,500,000</u>

PROJECT STATEMENT
(On basis of appropriation)

Project	1991 Actual	1992 Estimate	Increase or: Decrease	1993 Estimate
Supervisory and technical assistance grants, appropriation.....	0	\$2,500,000	\$-2,500,000	0

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under section 509 of the Housing Act of 1949, as amended. Grants are made to public and private nonprofit organizations for packaging loan applications for housing assistance under the various housing programs of the Agency. The assistance is directed to very low-income families in underserved areas where at least 20 percent of the population is below the poverty level and at least 10 percent or more of the population resides in substandard housing.

JUSTIFICATION OF DECREASE

A decrease of \$2,500,000 for the supervisory and technical assistance program (\$2,500,000 available in FY 1992).

Need for Change. A similar program was carried out in the late 70's and early 80's with no significant effect. Due to budgetary constraints and the need to target resources, the Department decided these funds would be best utilized in other housing programs.

Nature of Change. No program is requested for 1993.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Geographic breakdown of estimated obligations of \$2,500,000 for fiscal year 1992 cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rental Assistance Program:

1 For rental assistance agreements entered into or renewed pursuant to the
 authority under section 521(a)(2) of the Housing Act of 1949, as amended,
 1 [\$319,900,000] \$202,000,000: Provided, That such sums are to remain
available through fiscal year 2000 for the disbursement of grants obligated
in fiscal year 1993; and in addition such sums as may be necessary, as
 authorized by section 521(c) of the Act, to liquidate debt incurred prior to
 fiscal year 1992 to carry out the Rental Assistance Program under section
 521(a)(2) of the Act: Provided, That of this amount not more than
 2 \$11,800,000 shall be available for rental assistance in lieu of debt
 forgiveness or payments for eligible households as authorized by section
 3 502(c)(5)(D) of the Act[, and not to exceed \$10,000 per project for
 advances to nonprofit organizations or public agencies to cover direct costs
 (other than purchase price) incurred in purchasing projects pursuant to
 section 502(c)(5)(C) of the Act: Provided further, That of this amount not
 less than \$128,158,000 is available for newly constructed units financed by
 section 515 of the Housing Act of 1949, as amended, and not more than
 \$5,214,000 is for newly constructed units financed under sections 514 and
 516 of the Housing Act of 1949: Provided further, That \$174,728,000 is
 available for expiring agreements and for servicing of existing units
 without agreements: Provided further, That agreements entered into or
 renewed during fiscal year 1992 shall be funded for a five-year period,
 although the life of any such agreement may be extended to fully utilize
 amounts obligated: Provided further, That agreements entered into or renewed
 during fiscal years 1988, 1989, 1990, and 1991 may also be extended beyond
 five years to fully utilize amounts obligated].

The first change provides language which will allow for the disbursement of
 FY 1993 obligations beyond the five-year limitation set forth in P.L. 101-510, the
 National Defense Authorization Act for Fiscal Year 1991.

The second change provides additional language to clarify type and purpose of rental
 assistance.

The third change deletes language concerning cost advances to nonprofit
 organizations or public agencies from the rental assistance program account. This
 change also deletes language providing levels of activity to be made available for
 the specific types of rental assistance. The breakdown between rental assistance
 for new construction, renewals and servicing is no longer necessary; in fiscal year
 1993, rental assistance for new construction is offered in conjunction with the
 section 515 loan program, with the rental assistance cost being included as part of
 the appropriated loan subsidy amount in the Rural Housing Insurance Fund Program
 Account. This change also deletes language providing for the extension of five-year
 rental assistance agreements for the fiscal years of 1988, 1989, 1990, 1991 and
 1993. This language had been included when rental assistance was transferred out of
 the Rural Housing Insurance Fund and into its own account, the Rental Assistance
 Program, in fiscal year 1992. Fiscal years 1988 through 1991 were included
 retroactively in the language to ensure their coverage under the new account. This
 language is no longer necessary in fiscal year 1993. The proposed language in the
 first change above allows for the disbursement of FY 1993 obligations beyond the
 five-year limitation.

Rental Assistance Program

Appropriation Act, 1992.....	\$319,900,000
Budget Estimate, 1993.....	<u>202,000,000</u>
Decrease in Appropriation.....	<u>-117,900,000</u>
	=====

PROJECT STATEMENT
(On basis of appropriation)
(In thousands of dollars)

Project	1991 Actual	1992 Estimated	Decrease	1993 Estimated
Rental assistance (sec. 521)....	\$308,094	\$308,100	\$-117,900	\$190,200
Rental assistance in lieu of debt forgiveness (sec. 502(c)(5)(D)).....	3,025	11,800	0	11,800
<u>Total appropriation.....</u>	<u>311,119</u>	<u>319,900</u>	<u>-117,900</u>	<u>202,000</u>
	=====	=====	=====	=====

The FY 1991 actual activity is included in the above section for comparability purposes. It was appropriated under the Rural Housing Insurance Fund.

Staff years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

The rental assistance program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended. The program is administered in tandem with FmHA section 515 rural rental and cooperative housing programs, or the farm labor housing loan and grant programs. Rental assistance payments are authorized to be made to owners of FmHA financed rural rental or cooperative housing or domestic farm labor housing facilities in order that low-income tenants will contribute towards their rent no more than the higher of (1) 30 percent of monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payments from a welfare agency. Under this program, funding is provided for renewals of existing rental assistance contracts and for additional servicing assistance for existing projects. Prior to FY 1993, assistance for newly constructed units was provided under the rental assistance program; however, in FY 1993, funding for new construction rental assistance costs is provided in the Rural Housing Insurance Fund Program Account as part of the appropriated loan subsidy amount for the section 515 program.

For FY 1989, Congress authorized and appropriated assistance under section 502(c)(5)(D) for debt forgiveness or payments for eligible households to subsidize tenant rents in projects purchased by eligible nonprofit organizations or public agencies to prevent diversion of low-income rental housing by virtue of section 515 loan prepayment. The agency plans to use the subsidy payment mechanism of the rental assistance program to accomplish this mandate.

JUSTIFICATION OF DECREASE

A decrease of \$117,900,000 for the rental assistance program (\$319,900,000 available in FY 1992).

Need for Change. The reduction in the rental assistance program is due principally to two factors. First, the 6,330 units of new construction rental assistance activity proposed under the President's Budget has been included as part of the Rural Housing Insurance Fund Program Account's subsidy amount for the section 515 loan program. This proposal was developed in an attempt to capture the full cost of the section 515 loan program which relies greatly on the availability of rental assistance to deliver the program to the targeted very low income clientele. Secondly, the estimated average cost of a 5-year rental assistance unit obligation was reduced to more accurately approximate the 5-year cost required to assist the average existing unit that requires renewal in FY 1993. After these two items are considered the proposed level of funding should prove to be sufficient to meet anticipated rental assistance renewal needs.

Farmers Home Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
Rural Rental Assistance Payments (Sec. 521)

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	11,984,898	--	--
Alaska.....	905,383	--	--
Arizona.....	5,209,441	--	--
Arkansas.....	6,981,173	--	--
California.....	9,256,368	--	--
Colorado.....	2,751,940	--	--
Connecticut.....	1,228,668	--	--
Delaware.....	2,499,860	--	--
Florida.....	10,861,310	--	--
Georgia.....	8,349,734	--	--
Hawaii.....	258,504	--	--
Idaho.....	6,271,601	--	--
Illinois.....	10,354,161	--	--
Indiana.....	7,297,217	--	--
Iowa.....	7,726,960	--	--
Kansas.....	3,315,371	--	--
Kentucky.....	8,094,088	--	--
Louisiana.....	9,612,849	--	--
Maine.....	10,662,614	--	--
Maryland.....	5,485,128	--	--
Massachusetts.....	2,807,651	--	--
Michigan.....	7,369,888	--	--
Minnesota.....	7,680,522	--	--
Mississippi.....	10,038,888	--	--
Missouri.....	4,419,185	--	--
Montana.....	1,442,123	--	--
Nebraska.....	1,685,957	--	--
Nevada.....	1,652,506	--	--
New Hampshire.....	2,737,149	--	--
New Jersey.....	6,279,566	--	--
New Mexico.....	4,727,514	--	--
New York.....	6,005,704	--	--
North Carolina.....	16,463,496	--	--
North Dakota.....	1,967,733	--	--
Ohio.....	9,376,685	--	--
Oklahoma.....	3,673,002	--	--
Oregon.....	4,420,691	--	--
Pennsylvania.....	10,163,436	--	--
Rhode Island.....	834,795	--	--
South Carolina.....	7,719,120	--	--
South Dakota.....	4,099,060	--	--
Tennessee.....	5,617,485	--	--
Texas.....	17,193,942	--	--
Utah.....	4,114,242	--	--
Vermont.....	4,127,765	--	--
Virginia.....	8,730,352	--	--
Washington.....	5,048,891	--	--
West Virginia.....	7,266,646	--	--
Wisconsin.....	5,444,421	--	--
Wyoming.....	1,267,246	--	--
Puerto Rico.....	4,195,140	--	--
Virgin Islands.....	415,440	--	--
Total Avail./Est...	308,093,509	308,100,000 1/	190,200,000 1/

1/ Cannot be distributed by geographic area in advance.

Farmers Home Administration
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
 1991 and Estimated 1992 and 1993

Rural Housing Insurance Fund
 Rental Assistance (Sec. 502 (c)(5)(D))

California.....	228,125	--	--
Iowa.....	293,356	--	--
North Dakota.....	470,448	--	--
Texas.....	1,168,020	--	--
Vermont.....	865,216	--	--
Total Avail.Est....	3,025,165	11,800,000 1/	11,800,000 1/

1/ Cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural [Rental Assistance Payments] Housing Voucher Program:

For necessary expenses to operate a rural housing voucher program, under section 8(o) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f(o)), \$140,000,000, to be administered by the Secretary of Agriculture.

This change in language is for the purpose of providing new appropriation language in FY 1993 for the Rural Housing Voucher Program.

Rural Housing Voucher Program

Appropriation Act, 1992.....	0
Budget Estimate, 1993.....	\$140,000,000
Increase in Appropriation.....	140,000,000
	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	: 1991 : : Actual :	: 1992 : : Estimated :	: Increase :	: 1993 : : Estimated :
Rural housing vouchers, appropriation.....	: 0 :	: 0 :	: \$140,000,000 :	: \$140,000,000 :
	=====			

Staff years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

While the above language provides HUD authority to operate a voucher program, the Department is submitting legislation to authorize a rural housing voucher program as an amendment to Title V of the Housing Act of 1949, based on the same payment standards as section 521(a)(2)(A) of Title V of the Housing Act of 1949, as amended. This voucher program will provide housing assistance payments to individuals and families based on the difference between what the family can afford for housing according to their income and the cost of rental housing in the community. Assistance will be provided monthly, with annual renewals for up to five years.

This appropriation account will also continue to disburse funds for new construction rental assistance units obligated in prior years.

JUSTIFICATION OF INCREASE

An increase of \$140,000,000 for a rural housing voucher program (zero available in FY 1992).

Need for Change. Housing affordability and quality housing are the two most important problems facing low-income, rural households. FmHA's present programs cannot address both problems efficiently. A voucher program is proposed for those areas in which there is an adequate supply of housing. This will be a much more efficient means of assisting low-income households when new housing is not needed. Experience with the 1988 FmHA/HUD voucher demonstration in rural areas of 13 states proved that vouchers are a viable rural rental assistance tool.

Nature of Change. FmHA currently provides payments for rural households unable to afford rents at section 515 financed housing developments. The new voucher program is different only in that assistance is not tied to any one apartment complex. The Budget includes vouchers for 5,900 housing units which may be used for any of the area's available housing.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Geographic breakdown of estimated obligations of \$140,000,000 in fiscal year 1993 cannot be distributed by geographic area in advance.

FARMERS HOME ADMINISTRATION

PASSENGER MOTOR VEHICLES

The 1993 Budget Estimates propose the replacement of one passenger motor vehicle.

The passenger motor vehicles of the Farmers Home Administration are used primarily by the County Supervisors in the Pacific Islands for the performance of their daily work. None of the vehicles are used in the contiguous United States or Washington, D.C. The vehicles are used in areas where privately-owned vehicles and common carrier facilities are either non-existent, uneconomical, or inadequate due to the nature of the travel which requires a high degree of mobility with frequent stops at rural housing sites and farm properties. FmHA personnel are required to inspect and appraise homes and farms on which loan applications are pending. They also must visit various properties frequently to perform loan servicing activities.

Passenger motor vehicles are not assigned to one individual exclusively and are at locations where more than one employee has a need for them. This allows several employees to use a single vehicle and minimizes the number of vehicles and maintenance costs.

Replacement of passenger motor vehicles. Replacement of one passenger motor vehicle now in operation is proposed. This vehicle is located in the Western Pacific and must be replaced because of excessive rust and corrosion. The high salt spray content and high humidity of the air in this region are very conducive to corrosion and shorten the serviceability period of motor vehicles. In addition, roads are frequently unpaved and the rough terrain contributes to excessive wear. Repair and maintenance of vehicles is generally not available in some of these remote areas. The small size of these islands also precludes high mileage being accumulated on vehicles before requiring replacement. When possible, sedans and other passenger motor vehicles are replaced by all-terrain vehicles.

Age and mileage data for Farmers Home Administration passenger motor vehicles on hand as of September 30, 1991, are as follows:

<u>Age-Year Model</u>	<u>Age Data</u>		<u>Lifetime Mileage (thousands)</u>	<u>Mileage Data</u>	
	<u>Number of Vehicles</u>	<u>Percent of Total</u>		<u>Number of Vehicles</u>	<u>Percent of Total</u>
1985	2	50	30-40	2	50
1986	1	25	10-20	1	25
1991	<u>1</u>	<u>25</u>	under 10	<u>1</u>	<u>25</u>
Totals	4	100		4	100
	=	===		=	===

RURAL DEVELOPMENT ADMINISTRATION

Purpose Statement

The Rural Development Administration was established by Public Law 101-624, The Food, Agriculture, Conservation and Trade Act of 1990, enacted November 28, 1990. The Rural Development Administration's program activities include:

COMMUNITY PROGRAMS:

Community facility loans - are insured loans authorized to be made to public, quasi-public, and nonprofit associations and to certain Indian tribes for essential community facilities including necessary related equipment. Loans are repayable in not more than 40 years. Direct loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where: (1) the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level, and (2) the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent. An intermediate rate based on the poverty rate plus one-half the difference between 5 percent and the market rate, with a ceiling of 7 percent, will apply for those projects that do not meet the requirements for the 5 percent interest rate but are located in areas where the median household income does not exceed 100 percent of the statewide nonmetropolitan median household income. Direct loan recipients also have their choice between the interest rate in effect at the time of loan approval or loan closing. An additional 2 percent is added to the interest rate if projects are built on prime farmland, unless the borrower is a public body and there are no suitable optional sites. Guaranteed loans may be made to borrowers unable to obtain credit elsewhere under similar terms and conditions. The interest rate for guaranteed loans is negotiated between the lender and borrower.

Water and waste disposal loans - are loans authorized to be made to public, quasi-public, and nonprofit associations, and to certain Indian tribes for the development, replacement, or upgrading of water systems and waste disposal systems. These loans are repayable in not more than 40 years. Direct loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where: (1) the median household income of the service area falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level; and (2) the project is needed to meet applicable health or sanitary standards, bear interest not in excess of 5 percent. An intermediate rate based on the poverty rate plus one-half the difference between 5 percent and the market rate, with a ceiling of 7 percent, will apply for those projects that do not meet the requirements for the 5 percent interest rate but are located in areas where the median household income does not exceed 100 percent of the statewide nonmetropolitan median household income. Guaranteed loans may be made to borrowers unable to obtain credit elsewhere under similar terms and conditions. The interest rate for guaranteed loans is negotiated between the lender and borrower.

Water and waste disposal grants - are authorized to be made to public, quasi-public, and nonprofit associations, and to certain Indian tribes for the development, storage, treatment, purification, and distribution of water or the collection, treatment, or disposal of waste in rural areas. Grants are used for water and waste disposal projects servicing the most financially needy communities to reduce user costs to a reasonable level. Grants may be made to communities that have a median household income that falls below the higher of the poverty line or 100 percent of the State's nonmetropolitan median household income. Grant rates are based on a graduated scale providing higher rates for projects in communities that have lower income levels but may not exceed 75 percent of the eligible development costs of the project. The grant rate for communities whose income level exceeds the poverty line and is more than 80 percent but less than 100 percent of the State's nonmetropolitan median household income may not exceed 55 percent of the eligible development cost of the project. In addition, P.L. 99-198, the Food Security Act of 1985, provided that not less than 1 percent nor more than 2 percent of the water and waste disposal grant funds appropriated each year be made available for technical assistance and training of eligible grantee associations.

Emergency community water assistance grants - are authorized to be made to public bodies and private nonprofit organizations for the purpose of construction or extension of waterlines, repairs or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. Grants made to alleviate a significant decline in quantity or quality of water available from the water supplies in rural areas that occurred within two years of filing an application with FmHA may not exceed \$500,000. Grants made for repairs, partial replacement, or significant maintenance on an established system may not exceed \$75,000.

Solid-waste management grants - are authorized to be made to nonprofit organizations for the provision of regional technical assistance to local and regional governments and related agencies for reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities.

Business and industrial guaranteed loans - are guarantees issued to local lenders on loans made to public, private, or cooperative associations organized for profit or nonprofit, to certain Indian tribes or tribal groups, corporate entities, or to individuals for the purpose of improving, developing, or financing business, industry, and employment, and improving the economic and environmental climate in rural communities. These loans are made at rates agreed upon by the borrower and lender with a maturity of 7, 15, or 30 years depending on the collateral offered, with a maximum of \$10 million per loan. Loan guarantees can also be issued through Disaster Assistance for Rural Business Enterprises (DARBE) program. This program is designed to help alleviate economic stress on rural business entities caused, directly or indirectly, by natural disasters that occurring in 1988 and 1989. The published regulations for the Drought and Disaster and the Disaster Assistance for Rural Business Enterprises programs allow for funding of all complete applications received by the Agency through September 30, 1991. This allows for all economic hardships suffered during the legislated time period to be realized and the loan application procedures completed. Completed loan applications received in late FY 1991, will be obligated against this carryover authority in the RDIF liquidating account. The maximum loan principal guaranteed through the D&D program cannot exceed \$500,000 per borrower. The maximum loss payable under the DARBE program cannot exceed \$2,500,000.

Rural Development/Intermediary Relending Program loans - are to be made to intermediary borrowers (i.e., private nonprofit corporations, state or local government agencies, Indian tribes, and cooperatives) who, in turn, will relend the funds to rural businesses, private nonprofit organizations and others meeting the criteria for ultimate recipients. Financial assistance from the intermediary to the ultimate recipient must be for community development projects, the establishment of new businesses and/or the expansion of existing businesses, creation of employment opportunities and/or saving existing jobs. The total amount of FmHA loan funds requested by the intermediary plus the outstanding balance of existing FmHA loan(s) may not exceed \$2,000,000 per intermediary.

Rural development grants - are made to finance and facilitate development of small and emerging private business enterprises in rural areas or cities of up to 50,000 population. Priority is given to applications for projects in open country, rural communities and towns of 25,000 and smaller and economically distressed communities. Industrial development grants include grants made to third party lenders to establish revolving loan programs.

Other rural development grants - are provided from funds transferred from the Appalachian Regional Commission and other Federal organizations for cooperative efforts in rural development. The funded projects focus on basic needed facilities essential to the region's growth and economic development.

Agricultural Resource Conservation Demonstration Program - as authorized by the Farms for the Future Act of 1990, as amended, provided for the issuance of loan guarantees to assist eligible states, on a cost sharing basis, in financing a farmland protection effort to preserve vital farmland resources for future generations. Under the program, the Secretary would provide Federal guarantees and interest assistance for loans made to State trust funds. Each guarantee shall be

for a ten year period covering 100 percent of the principle and interest due. The Secretary shall pay all the interest due for the first five years of the loan and no less than three percentage points of the interest for the next five years. The interest rate is negotiated between the borrower and lender, except that no eligible loan shall bear an interest rate in excess of 10 percent per year. The maximum allowable loan guarantee is \$10 million per year, to each eligible state, through September 30, 1996.

Eligible uses for guaranteed loan funds include the purchase of development rights, conservation easements or other types of easements, or to purchase agricultural land in fee simple or some lesser estate in land; to pay all reasonable and customary costs; to pay the costs of enforcing easements or land use restrictions; to cover the cost of complying with any regulations issued by the Secretary under this program and the costs of implementing the farmland plan of operation, with the exception of overhead expenses of the State trust fund.

General - In fiscal year 1993, the budgeted lending programs will be comprised of direct and guaranteed loans. Direct loans are made direct to the borrower by the Agency and serviced by the Agency for the life of the loan.

Guaranteed loans are originated, held, and serviced by a private financial agency or other lender approved by the Secretary. The Agency guarantees to pay to the lender up to a specified percent of the face value of a guaranteed loan if the borrower fails to repay.

Planning for the FY 1993 Rural Development Administration structure is underway. For both the national office and the field, 925 ceiling and 27 non-ceiling staff years will be allocated.

Available Funds and Staff Years, 1991 and Estimated 1992 and 1993

Item	1991 Actual		1992 Estimated		1993 Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Rural Development Administration						
Rural Development Insurance Fund:						
Liquidating Account.....	1,666,160,000:	--:	a/:	--:	a/:	--
Program Account:						
Subsidy.....	--:	--:	109,154,000:	--:	101,210,000:	--
Administrative expense-						
Non-recoverable Loan Cost..	--:	--:	--:	--:	1,827,000:	--
Rural Development Loan Fund:						
Liquidating Account b/.....	30,500,000:	--:	--:	--:	--:	--
Program Account:.....						
Subsidy.....	--:	--:	16,260,000:	--:	20,048,000:	--
Administrative expense-						
Non-recoverable loan cost..	--:	--:	--:	--:	10,000:	--
Agriculture resource conserva-						
tion demonstration program						
account.....	--:	--:	3,617,000:	--:	3,644,000:	--
Rural water and waste c/						
disposal grants.....	299,996,000:	--:	350,000,000:	--:	300,000,000:	--
Emergency community water						
assistance grants.....	9,999,870:	--:	10,000,000:	--:	--:	--
Solid waste management grants..	1,499,980:	--:	3,000,000:	--:	--:	--
Rural development grants.....	20,749,730:	--:	20,750,000:	--:	35,000,000:	--
Rural community fire protection:						
grants.....	3,499,954:	--:	3,500,000:	--:	--:	
Salaries and Expenses:						
Direct appropriation.....	13,291,000:	201:	16,342,000:	206:	14,787,000:	165
Transfer from RDIFPA.....	45,167,000:	684:	55,534,000:	701:	57,294,000:	744
Transfer from RDLFPA.....	561,000:	9:	689,000:	9:	524,000:	7
Subtotal, salaries & expenses:						
and program resources.....	59,019,000:	894:	72,565,000:	916:	72,605,000:	916
Total.....	2,091,424,534:	894:	588,846,000:	916:	534,344,000:	916
Obligations under other USDA						
appropriations:						
Soil Conservation Service:						
Watershed protection &						
flood prevention.....	252,500:	7:	252,500:	7:	252,500:	7
Resource conservation						
and development.....	60,000:	2:	60,000:	2:	60,000:	2
Total, Soil Conservation						
Service.....	312,500:	9:	312,500:	9:	312,500:	9
Total, Agricultural						
Appropriations & RDA.....	2,091,737,034:	903:	589,158,500:	925:	534,656,500:	925
Total, Rural Development						
Administration.....	2,091,737,034:	903:	589,158,500:	925:	534,656,500:	925

Available Funds and Staff Years, 1991 and Estimated 1992 and 1993-Continued

	1991 <u>Actual</u>	1992 <u>Estimated</u>	1993 <u>Estimated</u>
Full time Equivalent Staff-Years:			
Ceiling.....	903	925	925
Non Ceiling.....	<u>27</u>	<u>27</u>	<u>27</u>
Total.....	930	952	952

- a/ The liquidating account can utilize permanent indefinite appropriations to meet cash needs.
- b/ Excludes \$395,014 of unobligated balances, \$1,125,980 of recoveries from prior years and \$1,881,046 in repayments to the fund which were available in FY 1991. Beginning in FY 1992, excess receipts in this account will be returned to Treasury.
- c/ Excludes \$1,307,319 of unobligated balance and \$7,084,546 of recoveries from prior year appropriations which were available in 1991 and \$600,268 of unobligated balance which will be available in 1992.

RURAL DEVELOPMENT ADMINISTRATION
Permanent Positions by Grade and Staff-Year Summary
1991 and Estimated 1992 and 1993

Grade	1991			1992			1993		
	Head- quarters	Field	Total	Head- quarters	Field	Total	Head- quarters	Field	Total
Executive Level V	1	--	1	1	--	1	1	--	1
ES-6	--	--	--	--	--	--	--	--	--
ES-5	1	--	1	1	--	1	1	--	1
ES-4	1	--	1	1	--	1	1	--	1
ES-3	--	--	--	--	--	--	--	--	--
ES-2	--	--	--	--	--	--	--	--	--
ES-1	--	--	--	--	--	--	--	--	--
GS/GM-15	7	--	7	7	--	7	7	--	7
GS/GM-14	15	--	15	15	--	15	15	--	15
GS/GM-13	16	265	281	16	265	281	16	265	281
GS-12	17	220	237	17	220	237	17	220	237
GS-11	15	45	60	15	45	60	15	45	60
GS-10	1	--	1	1	--	1	1	--	1
GS-9	4	45	49	4	45	49	4	45	49
GS-8	2	--	2	2	--	2	2	--	2
GS-7	8	--	8	8	--	8	8	--	8
GS-6	6	220	226	6	220	226	6	220	226
GS-5	9	20	29	9	20	29	9	20	29
GS-4	4	--	4	4	--	4	4	--	4
GS-3	2	--	2	2	--	2	2	--	2
GS-2	--	--	--	--	--	--	--	--	--
GS-1	--	--	--	--	--	--	--	--	--
Ungraded Position	1	--	1	1	--	1	1	--	1
Total Permanent Positions	110	815	925	110	815	925	110	815	925
Unfilled Positions end-of-year	--	28	28	--	--	--	--	--	--
Total, Permanent Employment, end-of-year	110	787	897	110	815	925	110	815	925
Staff Years: Ceiling	105	798	903	110	815	925	110	815	925
Non-Ceiling	4	23	27	4	23	27	4	23	27
Total 1/	109	821	930	114	838	952	114	838	952

1/ Staff-Years of overtime include: 1991, 10; 1992, 10; 1993, 10.

RURAL DEVELOPMENT ADMINISTRATION

CLASSIFICATION BY OBJECTSFY 1991 and Estimated FY 1992 and FY 1993

Personnel Compensation:	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
Headquarters.....	\$ 3,612,000	\$ 4,490,000	\$ 4,660,000
Field.....	<u>23,668,000</u>	<u>29,196,000</u>	<u>30,304,000</u>
11 Total personnel compensation	27,280,000	33,686,000	34,964,000
12 Personnel benefits.....	<u>5,947,000</u>	<u>7,343,000</u>	<u>7,621,000</u>
Total personnel compensation and benefits.....	33,227,000	41,029,000	42,585,000
Other Objects:			
21 Travel.....	2,311,000	2,854,000	2,854,000
22 Transportation of things....	200,000	247,000	247,000
24 Printing and reproduction...	392,000	484,000	484,000
25 Other services.....	93,336,000	108,686,000	99,845,000
26 Supplies and materials.....	385,000	475,000	475,000
31 Equipment.....	2,705,000	3,340,000	3,340,000
33 Investments and Loans.....	649,566,000	16,262,000	13,751,000
41 Grants, subsidies and contributions.....	343,392,000	509,157,000	460,301,000
43 Interest and dividends.....	694,167,000	687,171,000	685,747,000
44 Refunds.....	<u>1,715,000</u>	<u>1,700,000</u>	<u>1,500,000</u>
Total other objects.....	<u>1,788,169,000</u>	<u>1,330,376,000</u>	<u>1,268,544,000</u>
Total obligations.....	<u>1,821,396,000</u>	<u>1,371,405,000</u>	<u>1,311,129,000</u>
Position Data:			
Average Salary, ES positions....	\$102,550	\$106,150	\$110,075
Average Salary, GS positions....	\$36,719	\$38,261	\$39,677
Average Grade, GS positions.....	10.33	10.33	10.33

January 21, 1992

RURAL DEVELOPMENT ADMINISTRATION
Summary of Program Levels: FY 1991 - FY 1993
(Dollars in Thousands)

3proglev

	FY 1991 Current Estimate		FY 1992 Current Estimate		FY 1993 President's Budget	
	Number	Amount	Number	Amount	Number	Amount
RURAL DEVELOPMENT PROGRAMS						
RURAL DEVELOPMENT LOANS						
Direct Water and Waste Lns.....	862	500,000	1,003	600,000	976	600,000
Guar. Water and Waste Lns.....	8	665	121	35,000	0	0
Direct Comm. Facility Lns.....	273	100,000	265	100,000	258	100,000
Guar. Comm. Facility Lns.....	32	25,000	31	25,000	121	100,000
Guar. Business & Industry Lns....	92	99,955	89	100,000	87	100,000
Guar. B&I (D/D and DARBE).....	36	26,749	33	25,000	0	0
RDLF-Intermediary Relending Lns...	28	32,499	27	32,500	28	35,000
Guar. Agri. Res. Conser. Demo Lns.	0	0	1	10,000	1	10,000
Indian Land Acquisition Lns.....	2	267	2	1,000	0	0
Watershed and Flood Prev. Lns....	0	0	4	4,000	0	0
Resource, Conser and Dev Lns.....	0	0	2	600	0	0
Direct Rural Dev. Loans.....	1,165	632,766	1,303	738,100	1,262	735,000
Guaranteed Rural Dev. Loans.....	168	152,369	275	195,000	209	210,000
Subtotal Rural Dev. Loans.....	1,333	785,135	1,578	933,100	1,471	945,000
RURAL DEVELOPMENT GRANTS						
Water and Waste Grants.....	612	307,788	676	350,600	563	300,000
Rural Development Grants.....	155	20,750	151	20,750	120	35,000
Solid Waste Management Grants.....	12	1,500	23	3,000	0	0
Emer. Comm. Water Assist. Grants..	46	10,000	45	10,000	0	0
Fire Grants (FS).....	3,800	3,353	0	3,500	0	0
Subtotal Rural Dev. Grants....	4,625	343,391	895	387,850	683	335,000
TOTAL RURAL DEVELOPMENT PROGRAMS..	5,958	1,128,526	2,473	1,320,950	2,154	1,280,000

RURAL DEVELOPMENT ADMINISTRATION
COMPARISON OF LOAN DELINQUENCY RATE
(Dollars in Thousands)

September 30, 1990 September 30, 1991

										Borrowers Delinquent				All Borrowers				Borrowers Delinquent			
										All Borrowers		Borrowers Delinquent		All Borrowers		Borrowers Delinquent		All Borrowers		Borrowers Delinquent	
										Number	Amount of Loans Outstanding	Number	% of Del	Number	Amount of Loans Outstanding	Number	% of Del	Number	Amount of Loans Outstanding	Number	% of Del
Rural Development Insur. Fund																					
Community Facilities Loans:																					
Water and Waste.....										6,762	3,085,131	59	1	7,215	0	7,006	3,335,058	67	1	7,578	0
Other Community Facilities 1/										1,829	935,959	28	2	4,565	0	1,937	983,682	32	2	4,139	0
Business and Industry Loans:																					
Insured.....										22	18,991	4	18	673	4	19	14,462	3	16	489	3
Guaranteed.....										1,345	1,261,925	205	15	203,493	16	1,248	1,179,944	187	15	183,456	16
Nonprogram Loans.....										--	--	--	--	--	--	7	2,875	--	--	--	--
Total, RDIF.....										9,958	5,302,006	296	3	215,946	4	10,217	5,516,021	289	3	195,662	4
Community Service Adminis. 2/																					
Economic Opportunity Loans:																					
Individual.....										63	91	52	83	84	92	36	55	27	75	80	145
Cooperative.....										22	2,058	8	36	1,160	56	15	1,299	3	20	125	10
BRLF and FmHA Other.....										--	--	--	--	--	--	114	5,282	15	13	73	1
Total, CSA.....										85	2,149	60	71	1,244	58	165	6,636	45	27	278	4
Total, RDA.....										10,043	5,304,155	356	4	217,190	4	10,382	5,522,657	334	3	195,940	4

1/ Information on Intermediary Relending Loans not available at this time.

2/ RDA is responsible only for servicing on Equal Opportunity Loans, the last of which were made in FY 1974.

PROPOSED LANGUAGE CHANGES

RURAL DEVELOPMENT ADMINISTRATION

The FY 1993 Budget Estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

SALARIES AND EXPENSES

For necessary expenses of the Rural Development Administration, not otherwise provided for, in administering the rural development programs of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-2000), as amended, Section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note), title VI of the Rural Development Act of 1972, and such other rural development programs as the Secretary determines appropriate, \$72,605,000; of which \$14,787,000 is hereby appropriated, \$57,294,000 shall be derived by transfer from the Rural Development Insurance Fund Program Account and merged with this account, \$524,000 shall be derived by transfer from the Rural Development Loan Fund Program account and merged with this account: provided, that not to exceed \$500,000 shall be for employment under 5 U.S.C. 3109: provided further, that not to exceed \$3,985,000 shall be for contracting with the National Rural Water Association or other equally qualified national organization for circuit rider program to provide technical assistance for rural water systems.

This change establishes language for the Rural Development Administration pursuant to P.L. 101-624, Food, Agriculture, Conservation and Trade Act of 1990 and P.L. 102-237, Food, Agriculture, Conservation, and Trade Act Amendments of 1991.

RURAL DEVELOPMENT ADMINISTRATION

Salaries and Expenses

	<u>Appropriation</u>	<u>Program Resources</u>	<u>Total</u>
Current Estimate, 1992.....	\$16,342,000	\$56,223,000	\$72,565,000
Budget Estimate, 1993.....	<u>14,787,000</u>	<u>57,818,000</u>	<u>72,605,000</u>
Change in appropriation.....	<u>-1,555,000</u>	<u>+1,595,000</u>	<u>+40,000</u>

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

	Salaries & Expenses Direct Approp.	RDIF Program Account	RDLF Program Account	Total Available
FY 1992 Estimate	\$16,342,000	\$55,534,000	\$689,000	\$72,565,000
Items of Increase and Decrease:				
Pay Costs.....	186,000	587,000	5,000	778,000
Other.....	-1,741,000	1,173,000	-170,000	-738,000
FY 1993 Estimate....	14,787,000	57,294,000	524,000	72,605,000
Transfers from Other Accounts.....	--	-57,294,000	-524,000	-57,818,000
Total Appropriation for FY 1993.....	14,787,000	--	--	14,787,000

RURAL DEVELOPMENT ADMINISTRATION

Salaries and Expenses

PROJECT STATEMENT
(on basis of appropriation)
(Dollars in Thousands)

Project	1991 Est.		1992 Est.		Increase:	1993 Est.	
	Amount	Staff: Years	Amount	Staff: Years	or Decrease:	Amount	Staff: Years
Salaries and Expenses:							
Appropriation.....	\$13,291:	201:	\$16,342:	206:	-\$1,555:	\$14,787:	165
Administrative							
Expenses contained							
in other Accounts:							
Rural Development							
Insurance Fund							
Program Account..	45,167:	684:	55,534:	701:	+1,760:	57,294:	744
Rural Development							
Loan Fund							
Program Account..	561:	9:	689:	9:	-165:	524:	7
Subtotal <u>1/</u>	59,019:	894:	72,565:	916:	(1) +40:	72,605:	916
Loan Program							
expenses paid							
from revolving							
funds <u>2/</u>	(2,000):		(2,000):		(-163):	(1,837):	
Total Administrative							
Expenses	(61,019):		(74,565):		(-123):	(74,442):	
Transfers from							
Other Accounts	-45,728:	-693:	-56,223:	-710:	-1,595:	-57,818:	-751
Total Appropriation..	13,291:	201:	16,342:	206:	-1,555:	14,787:	165

1/ Excludes Reimburseables.

2/ Estimated non-recoverable loan costs administrative expenses paid out of revolving funds in FY 1991, liquidating accounts in FY 1992 and program accounts in FY 1993 as required by Credit Reform.

EXPLANATION OF PROGRAM

The Food, Agriculture Conservation and Trade Act Amendments of 1991, P.L. 102-237, and Secretary's Memorandum 1020.34, dated December 31, 1991, created and established the Rural Development Administration. This requires that the community and business programs administered by FmHA and the associated personnel and finances be transferred to the new agency. RDA is presented on a full-year basis for 1991 and 1992 to show comparability with 1993.

JUSTIFICATION OF INCREASES AND DECREASE

- (1) A net increase of \$40,000 for the Rural Development Administration, (\$72,565,000 available in FY 1992).
- (a) An increase of \$778,000 for pay costs, which consists of \$413,000 for annualization of fiscal year 1992 pay raise and \$365,000 for part of the fiscal year 1993 pay raise.
- (b) A decrease of \$738,000 in other services.

Need for Change. Due to budgetary constraints, operating support costs will be reduced.

Nature of Change. Operating support costs including ADP and other contractual services will be reduced in the areas least disruptive to ongoing program operations.

RURAL DEVELOPMENT ADMINISTRATION
Salaries and Expenses
Obligations by Organizational Unit 1/
(in thousands rounded)

<u>Organizational Unit</u>	<u>Obligations</u>			
	<u>Personnel Comp. and Benefits</u>	<u>Travel</u>	<u>All Other</u>	<u>Total</u>
<u>FISCAL YEAR 1991:</u>				
National Office	\$ 4,400	\$ 290	\$2,060	\$ 6,750
Field Offices	<u>28,827</u>	<u>2,021</u>	<u>21,421</u>	<u>52,269</u>
Total, RDA	33,227	2,311	23,481	59,019
Less Allocations from other accounts	<u>-25,744</u>	<u>-1,791</u>	<u>-18,193</u>	<u>-45,728</u>
Total, S&E, RDA	<u>7,483</u>	<u>520</u>	<u>5,288</u>	<u>13,291</u>
<u>FISCAL YEAR 1992: (estimate)</u>				
National Office	5,469	300	2,700	8,469
Field Offices	<u>35,560</u>	<u>2,554</u>	<u>26,295</u>	<u>64,409</u>
Total, RDA	41,029	2,854	28,995	72,878
Less Allocations from other accounts	<u>-256</u>	<u>-14</u>	<u>-43</u>	<u>-313</u>
Total, S&E, RDA	<u>40,773</u>	<u>2,840</u>	<u>28,952</u>	<u>72,565</u>
<u>FISCAL YEAR 1993: (estimate)</u>				
National Office	5,677	300	2,700	10,025
Field Offices	<u>36,908</u>	<u>2,554</u>	<u>24,779</u>	<u>62,893</u>
Total, RDA	42,585	2,854	27,479	72,918
Less Allocations from other accounts	<u>-256</u>	<u>-14</u>	<u>-43</u>	<u>-313</u>
Total, S&E, RDA	<u>42,329</u>	<u>2,840</u>	<u>27,436</u>	<u>72,605</u>

1/ Includes reimbursable obligations.

Positions Filled, Staff-Years and Average
Grade and Salary by Organizational Unit

<u>Organizational Unit</u>	<u>Positions Filled at End of Year</u>		<u>Staff- Years</u>	<u>Permanent</u>	<u>Full-time</u>
	<u>Permanent Full-Time</u>	<u>Other</u>		<u>Average Grade</u>	<u>Average Salary</u>
<u>FISCAL YEAR 1991:</u>					
National Office	110	3	109	10.50	\$38,682
Field Offices	<u>787</u>	<u>50</u>	<u>821</u>	<u>10.31</u>	<u>36,463</u>
Total, RDA	897	53	930	10.33	36,719
<u>FISCAL YEAR 1992: (estimate)</u>					
National Office	110	5	114	10.50	40,300
Field Offices	<u>815</u>	<u>65</u>	<u>838</u>	<u>10.31</u>	<u>37,994</u>
Total, RDA	925	70	952	10.33	38,261
<u>FISCAL YEAR 1993: (estimate)</u>					
National Office	110	5	114	10.50	41,800
Field Offices	<u>815</u>	<u>65</u>	<u>838</u>	<u>10.31</u>	<u>39,400</u>
Total, RDA	925	70	952	10.33	39,677

RURAL DEVELOPMENT ADMINISTRATION

The 1993 Budget Estimates include proposed changes in the language as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Insurance Fund Program Account:

- For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928 and 86 Stat. 661-664, as amended, to be available from funds in the Rural Development Insurance Fund, as follows:
- 1 direct water and sewer facility loans, [\$635,000,000, of which \$35,000,000 shall be for guaranteed loans] \$600,000,000; community facility loans, [\$125,000,000] \$200,000,000, of which [\$25,000,000] \$100,000,000 shall be for guaranteed loans; and guaranteed industrial development loans, \$100,000,000: Provided, That none of the funds made available in this Act may be used to make transfers between the above limitations.
 - 2 For [an amount, for] the cost [as defined in section 13201 of the Budget Enforcement Act of 1990] of direct and guaranteed loans, including the cost of modifying loans, [of direct and guaranteed loans] as defined in section 502 of the Congressional Budget Act of 1974, as follows: direct water and sewer
 - 3 facility loans, \$87,360,000 [\$90,510,000, of which \$630,000 shall be for guaranteed loans]; direct community facility loans, [\$12,519,000] \$8,410,000
 - 4 [, of which \$508,000 shall be for guaranteed loans]; and guaranteed industrial
 - 5 development loans, [\$5,870,000.] \$5,440,000 ;Provided, That sums are to remain available for the disbursement of loans obligated in fiscal years 1992 and 1993.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$52,286,000] \$59,121,000.

The first change eliminates the appropriation language for guaranteed water and sewer facility loans. No funds are requested for fiscal year 1993.

The second change substitutes the legal reference used in the Act to the original Act, as amended.

The third change eliminates the appropriation language for guaranteed water and sewer facility loan subsidy. No funds are requested for fiscal year 1993.

The fourth change eliminates the appropriation language for the guaranteed community facility loan subsidy. The present value of cash inflows for this loan program exceeds the present value of cash outflows which causes a negative subsidy.

The fifth change provides language which will allow for the disbursement of FY 1993 obligated subsidy to the financing accounts beyond the five-year limitation set forth in P.L. 101-510, the National Defense Authorization Act for 1991. Similarly, new language is proposed that will allow for the disbursement of FY 1992 obligated subsidy to the financing accounts beyond the five-year limitation.

RURAL DEVELOPMENT INSURANCE FUND

The 1993 budget reflects the credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. Loan levels are included in the appropriation language requested for the subsidy amount for FY 1993. The appropriation language also specifies the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the net present value of estimated cash flows over the lifetime of the loans; whereas outlays represent the portion of the subsidy related to the loan amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a "financing account" and are considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for pre-credit reform portfolios of loans are reflected in the Budget in "liquidating accounts" and are calculated as before, to represent disbursements, borrower repayments, borrower payments, Federal Financing Bank repayments and Treasury loan repayments.

(a) Rural Development Insurance Fund - Liquidating Account

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, the pre-credit reform revolving fund account will be referred to as a liquidating account. No new loans will be charged to it after FY 1991. The liquidating account will be used to liquidate the loans made prior to FY 1992, as long as the terms and conditions of these loans do not change. Activity of this account will include loan disbursements, collection of interest, loan repayments and prepayments, payments of interest to Treasury and the Federal Financing Bank, proceeds from the sale of acquired property, fees, and other revenues and expenses related to obligations made prior to FY 1992. Although FY 1991 actual activity is included in the sections that follow, it is provided for comparability purposes only.

Under Credit Reform, the liquidating account will utilize permanent indefinite appropriations in such amounts as may be required to meet cash needs during any fiscal year.

(b) Rural Development Insurance Fund Program Account
 (On basis of loan level, subsidy, and administrative expenses
 in the Appropriation Act)
 (In thousands of dollars)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expense</u>
Appropriation Act, FY 1992.....	\$865,600	\$109,154	\$52,286
Budget Estimate, FY 1993.....	900,000	101,210	59,121
Increase or Decrease in Amount.....	34,400	-7,944	6,835
	=====	=====	=====

PROJECT STATEMENT

(On basis of loan levels, subsidies and administrative expenses
in the Appropriation Act)
(In thousands of dollars)

Project	1991 Actual	1992 Appropriated	Increase or Decrease	1993 Estimated
Water and waste disposal:				
Direct loans.....	\$500,000	\$600,000	\$0	\$600,000
Direct loan subsidy.....	0	89,880	-2,520	87,360
Guaranteed loans.....	665	35,000	-35,000 (1)	0
Guaranteed loan subsidy....	0	630	-630	0
Community facility:				
Direct loans.....	100,000	100,000	0	100,000
Direct loan subsidy.....	0	12,011	-3,601	8,410
Guaranteed loans.....	25,000	25,000	75,000 (2)	100,000
Guaranteed loan subsidy....	0	508	-508	0
Business and industry:				
Guaranteed loans.....	99,955	100,000	0	100,000
Guaranteed loan subsidy....	0	5,870	-430	5,440
Indian tribe land acquisition:				
Direct loans.....	267	1,000	-1,000 (3)	0
Direct loan subsidy.....	0	253	-253	0
Watershed protection and flood prevention:				
Direct loans.....	0	4,000	-4,000 (4)	0
Direct loan subsidy.....	0	1	-1	0
Resource conservation and development:				
Direct loans.....	0	600	-600 (5)	0
Direct loan subsidy.....	0	1	-1	0
Administrative expenses a/...	45,167	52,286	6,835	59,121
Total:				
Direct loans.....	600,267	705,600	-5,600	700,000
Direct loan subsidy.....	0	102,146	-6,376 (6)	95,770
Guaranteed loans.....	125,620	160,000	40,000	200,000
Guaranteed loan subsidy....	0	7,008	-1,568 (7)	5,440
Administrative expenses....	45,167	52,286	6,835 (8)	59,121

Staff-years are reflected in the Salaries and Expense Project Statement.

a/ The FY 1991 actual and FY 1992 estimated administrative expenses are not directly comparable to the FY 1993 estimate. Of the \$59,121,000 for administrative expenses in FY 1993, \$57,294,000 will be transferred to Salaries and Expenses and \$1,827,000 will be retained for obligation of program-related nonrecoverable costs.

PROJECT STATEMENT

(On basis of 1992 loan levels and subsidies supportable
under 1992 Appropriation Act)
(In thousands of dollars)

Project	1992 Appropriated	Increase or Decrease	1992 Current Estimate
Water and waste disposal:			
Direct loans.....	\$600,000	\$0	\$600,000
Direct loan subsidy.....	89,880	-4,200	85,680
Guaranteed loans.....	35,000	0	35,000
Guaranteed loan subsidy....	630	-630	0
Community facility:			
Direct loans.....	100,000	0	100,000
Direct loan subsidy.....	12,011	-2,131	9,880
Guaranteed loans.....	25,000	0	25,000
Guaranteed loan subsidy....	508	-508	0
Business and industry:			
Guaranteed loans.....	100,000	0	100,000
Guaranteed loan subsidy....	5,870	0	5,870
Indian tribe land acquisition:			
Direct loans.....	1,000	0	1,000
Direct loan subsidy.....	253	0	253
Watershed protection and flood prevention:			
Direct loans.....	4,000	0	4,000
Direct loan subsidy.....	1	0	1
Resource conservation and development:			
Direct loans.....	600	0	600
Direct loan subsidy.....	1	0	1

The FY 1991 actual and FY 1992 estimated activity for Indian tribe land acquisition loans, watershed protection and flood prevention loans, and resource conservation and development loans is included in the above tables for comparability purposes. These loans were appropriated under the Agricultural Credit Insurance Fund. The FY 1993 Budget proposes these loan programs be appropriated in FY 1993 in the Rural Development Insurance Fund accounts and also the outstanding loan portfolio and unliquidated obligated loans and subsidy be transferred.

EXPLANATION OF PROGRAM

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations and guaranteed loan commitments of this account in FY 1992 and beyond. Subsidy amounts are obtained by estimating the difference between the Government's cash disbursements and the net present value of the Government's cash inflows resulting from direct and guaranteed loans made through this account. For the requested FY 1993 direct loans of \$700,000,000 and guaranteed loans of \$200,000,000, the associated lifetime subsidy is estimated to be \$95,770,000 and \$5,440,000, respectively.

The Rural Development Act of 1972 authorized the establishment of the Rural Development Insurance fund under section 309A of the Consolidated Farm and Rural Development Act. This Act provided for transfer to the Rural Development Insurance Fund the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities. This fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities and industrial development in rural areas. A description of each type of loan follows:

Direct water and waste disposal loans. Loans are made to public bodies, organizations operated on a not for profit basis and Indian tribes on Federal and State Reservations and other Federally recognized Indian tribes, for the development of storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. A rural area includes any area in any city or town which has a population of not more than 10,000 inhabitants.

Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. FmHA loans are repayable in not more than 40 years or the useful life of the facility, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent, the poverty line interest rate. The intermediate interest rate, which is the poverty line rate plus one-half the difference between the poverty line rate and the market rate, with a ceiling of 7 percent, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 100 percent of the nonmetropolitan median household income of the State.

Guaranteed water and waste disposal loans. Beginning in FY 1990, guaranteed loan authority was made available through the water and waste disposal loan program. Eligible borrowers and loan purposes are similar to those under the direct water and waste disposal loan program with the exception that loans involving tax-exempt obligations and loans involving a Farmers Home Administration grant may not be guaranteed. Normally, the guarantee will not exceed 80 percent, however, in extraordinary circumstances it may be increased up to a maximum of 90 percent. The interest rate is negotiated between the borrower and lender and may be a fixed or variable rate.

Direct community facility loans. Loans are made to public bodies, organizations operated on a not for profit basis and Indian tribes on Federal and State Reservations and other Federally recognized Indian tribes, to construct, enlarge, extend, or otherwise improve community facilities which provide essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, hydroelectric generation, and community, social and cultural benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 population.

Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. Loans are repayable in not more than the useful life of the facility or 40 years, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent which is the poverty line interest rate. Also loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project provides for health care and related facilities will bear an interest rate not in excess of 5 percent. The intermediate interest rate, which is the poverty line rate plus one-half the difference between the poverty line rate and the market rate, with a ceiling of 7 percent, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 100 percent of the nonmetropolitan

median household income of the State. An additional 2 percent is added to the interest rate if the projects are built on prime farmland, unless the borrower is a public body and there are no suitable optional sites.

Guaranteed community facility loans. Beginning in FY 1990, guaranteed loan authority was made available through the community facilities loan program. Eligible borrowers and loan purposes are similar to those under the direct community facilities loan program with the exception that loans involving tax-exempt obligations and loans involving a FmHA grant may not be guaranteed. Normally, the guarantee will not exceed 80 percent, however, in extraordinary circumstances it may be increased up to a maximum of 90 percent. The interest rate is negotiated between the borrower and lender and may be a fixed or variable rate.

Guaranteed business and industrial development loans. These guaranteed loans are made to public, private, or cooperative organizations organized for profit or nonprofit, to certain Indian tribes or tribal groups, corporate entities, or to individuals for the purpose of improving the economic climate in rural areas. Such purposes include financing business and industrial acquisition, construction, conversion, enlargement, repair or modernization; financing the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, machinery, supplies and materials; and paying start-up costs and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of 25,000 or less. To obtain a loan, a borrower must have the legal capacity necessary for constructing, operating, and maintaining the proposed facility and for obtaining, securing, and repaying the loan. A borrower must be financially sound and so organized and managed that efficient service will be provided. Loans may be guaranteed by FmHA not to exceed 90 percent of the loss. Guaranteed loans may be made with maturities of 7, 15 or 30 years, depending on the collateral, and bear interest at a rate agreed upon by the lender and borrower.

Legislation is proposed to transfer Indian tribe land acquisition, watershed protection, flood prevention and resource conservation and development loans from the Agricultural Credit Insurance Fund to the Rural Development Insurance Fund (RDIF). This legislation also proposes the transfer of the assets and authorizations for Grazing, Recreation, Irrigation, Forestry, and Water facility loans to RDIF.

Subtitle A of the Consolidated Farm and Rural Development Act contains the authorization for Indian tribe land acquisition loans. In addition, watershed works of improvement and flood prevention loans are made to associations under the Watershed Protection Act, as amended (Public Law 83-566), and resource conservation and development loans are made to associations under section 102 of Public Law 87-703, and other existing Departmental authorities.

Indian Tribe Land Acquisition Loans. Public Law 91-229, approved April 11, 1970, authorized loans to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act, which does not have adequate uncommitted funds, to acquire lands or interest in lands within the tribes's reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof. Loans are made for 40 years or less. The interest rate for these loans is determined by the Secretary of Agriculture and currently is five percent.

Watershed Works of Improvement and Flood Prevention Loans. Loans are made to local organizations for financing the local share of the cost of installing, repairing or improving works of improvement and water storage facilities,

purchasing sites or rights-of-way and for related costs in approved watershed works of improvement and flood prevention projects. FmHA has been assigned responsibility for making these loans to sponsors of such projects approved for operation by the Soil Conservation Service. No loan may be made until the Soil Conservation Service and the local organization have agreed on a plan for works of improvement. Public Law 92-419, approved August 30, 1972, provided for making such loans on a direct basis under the Agricultural Credit Insurance Fund.

These loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. For any single plan for works of improvement, the amount of the loan may not exceed \$10 million.

Resource Conservation and Development Loans. Loans are made to local sponsoring organizations when needed for financing the local share of the cost of installing, repairing or improving works of improvement, purchasing sites or rights-of-way and for related costs in approved resource conservation and development projects. The Farmers Home Administration has been assigned responsibility for making these loans to sponsors of resource conservation and development projects approved for operation by the Soil Conservation Service. No loan may be made until the Soil Conservation Service and local organization have agreed on a plan for development work. Public Law 92-419, approved August 30, 1972, provided for making such loans on a direct basis under the Agricultural Credit Insurance Fund.

These loans are repayable in not more than 30 years. Loans bear interest at a rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$35,000,000 for guaranteed water and waste disposal loans (\$35,000,000 available in FY 1992).

Need for Change. The guaranteed water and waste disposal loan program is proposed for termination in FY 1993. This program, initiated in FY 1990 has proven to be less effective in serving the needs of rural communities than other community and business programs available through the Agency.

Nature of Change. No program level is proposed in FY 1993.

- (2) An increase of \$75,000,000 for guaranteed community facility loans (\$25,000,000 available in FY 1992).

Need for Change. The guaranteed community facility loan program will be increased and targeted to rural health care needs i.e. medical clinics and hospitals, to improve the level of health care available to rural residents.

Nature of Change. The proposed program level will provide loans for 121 community facility projects.

- (3) A decrease of \$1,000,000 for direct Indian tribe land acquisition loans (\$1,000,000 available in FY 1992).

Need for Change. These loans are limited to the acquisition of land within the defined boundaries of a tribe's reservation. Most of the available land has been acquired by the loans now outstanding.

Nature of Change. No program level is proposed in FY 1993.

- (4) A decrease of \$4,000,000 for direct watershed protection and flood prevention loans (\$4,000,000 available in FY 1992).

Need for Change. There has been little demand for this program in recent years. No loans were obligated in FY 1988, FY 1989 and FY 1991. Only two loans were obligated in FY 1990.

Nature of Change. No program level is proposed in FY 1993.

- (5) A decrease of \$600,000 for direct resource conservation and development loans (\$600,000 available in FY 1992).

Need for Change. There has been little demand for this program in recent years. Only one loan was obligated in FY 1990, and no loans were obligated in FY 1991 or FY 1986 through FY 1989.

Nature of Change. No program level is proposed in FY 1993.

- (6) A decrease of \$6,374,000 for direct loan subsidy (\$102,144,000 available in FY 1992).

Need for Change. These estimated subsidy amounts are necessary to support the direct loan obligations associated with the requested FY 1993 loan levels under the provisions of the Omnibus Budget Reconciliation Act of 1990.

- (7) A decrease of \$1,568,000 in the guaranteed loan subsidy (\$7,008,000 available in FY 1992).

Need for Change. Even though guaranteed loan levels increase, subsidy decreases because current assumptions indicate guaranteed community facility loans will result in a negative subsidy and guaranteed business and industry loans will require a smaller subsidy.

- (8) An increase of \$6,835,000 in administrative expenses (\$52,286,000 available in FY 1992).

Need for Change. Justification for administrative expenses in the amount of \$57,294,000 and the associated staff-years are reflected in the Salaries and Expenses Project Statement since that amount will be transferred to Salaries and Expenses. The balance of \$1,827,000 will be retained in the program account for obligation of program related, nonrecoverable costs such as appraisals, analysis and audits. These costs were funded in the liquidating account in FY 1992.

(c) Rural Development Insurance Fund Direct Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this non-budgetary account records the obligations and cash flows to and from the Government resulting from direct loans obligated in FY 1992 and beyond. These cash flows may include, but are not limited to, direct loan subsidy payments from the subsidy account, loan disbursements, principal repayments and interest payments from borrowers, prepayments or fees, proceeds from the sale of loans, and interest paid on Treasury borrowing. In addition, this account will keep track of the available budget authority for direct loan disbursements and has permanent, indefinite authority to borrow to finance direct loan disbursements. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

(d) Rural Development Insurance Fund Guaranteed Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this non-budgetary account records the commitments and cash flows to and from the Government associated with guaranteed loan commitments made in FY 1992 and beyond. These cash flows may include, but are not limited to, guaranteed loan subsidy payments from the program account, default claims on guaranteed loan commitments, fees, collections on defaulted loans and receipt of interest on uninvested funds. In addition, this account will keep track of the available budget authority for guaranteed loan commitments. The account will also maintain a reserve to cover payments for defaults on guaranteed loans. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Development Insurance Fund
Water and Waste Disposal Loan Program - Direct

	1991 Amount	1992 Amount	1993 Amount
Arkansas.....	8,136,000	15,770,000	15,770,000
Alaska.....	1,990,000	1,089,000	1,089,000
Arizona.....	8,250,000	3,685,000	3,685,000
Arkansas.....	25,477,250	11,486,000	11,486,000
California.....	23,165,500	16,527,000	16,527,000
Colorado.....	1,089,300	4,302,000	4,302,000
Connecticut.....	5,270,300	4,741,000	4,741,000
Delaware.....	1,362,100	1,435,000	1,435,000
Florida.....	15,706,500	13,133,000	13,133,000
Georgia.....	9,714,100	19,863,000	19,863,000
Hawaii.....	--	991,000	991,000
Idaho.....	1,563,300	3,681,000	3,681,000
Illinois.....	13,865,800	15,735,000	15,735,000
Indiana.....	12,290,750	14,853,000	14,853,000
Iowa.....	24,362,000	8,956,000	8,956,000
Kansas.....	7,057,800	6,049,000	6,049,000
Kentucky.....	23,223,900	18,534,000	18,534,000
Louisiana.....	16,694,600	13,770,000	13,770,000
Maine.....	11,674,600	5,044,000	5,044,000
Maryland.....	3,067,100	6,301,000	6,301,000
Massachusetts.....	16,643,400	7,018,000	7,018,000
Michigan.....	9,690,000	21,600,000	21,600,000
Minnesota.....	14,163,100	10,001,000	10,001,000
Mississippi.....	17,783,800	16,228,000	16,228,000
Missouri.....	7,504,600	13,131,000	13,131,000
Montana.....	1,423,500	3,104,000	3,104,000
Nebraska.....	3,784,000	4,542,000	4,542,000
Nevada.....	--	839,000	839,000
New Hampshire.....	4,434,000	3,173,000	3,173,000
New Jersey.....	11,692,400	6,076,000	6,076,000
New Mexico.....	904,000	3,596,000	3,596,000
New York.....	16,375,400	23,745,000	23,745,000
North Carolina.....	28,677,200	27,744,000	27,744,000
North Dakota.....	2,309,700	2,846,000	2,846,000
Ohio.....	21,877,000	22,412,000	22,412,000
Oklahoma.....	6,004,050	8,583,000	8,583,000
Oregon.....	6,076,000	6,785,000	6,785,000
Pennsylvania.....	13,309,500	28,356,000	28,356,000
Rhode Island.....	794,000	950,000	950,000
South Carolina.....	20,257,800	13,603,000	13,603,000
South Dakota.....	3,957,100	3,535,000	3,535,000
Tennessee.....	14,025,000	17,894,000	17,894,000
Texas.....	18,482,200	26,526,000	26,526,000
Utah.....	968,100	1,789,000	1,789,000
Vermont.....	2,320,000	2,732,000	2,732,000
Virginia.....	12,519,150	14,710,000	14,710,000
Washington.....	6,265,900	8,393,000	8,393,000
West Virginia.....	13,629,000	11,259,000	11,259,000
Wisconsin.....	3,649,200	12,038,000	12,038,000
Wyoming.....	647,000	1,223,000	1,223,000
Puerto Rico.....	5,873,000	28,524,000	28,524,000
Trust Territories..	--	550,000	550,000
Virgin Islands.....	--	550,000	550,000
Reserve	--	60,000,000	60,000,000
Total Avail./Est...	500,000,000	600,000,000	600,000,000

Rural Development Administration
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
 1991 and Estimated 1992 and 1993

Rural Development Insurance Fund
 Water and Waste Disposal Loan Program - Guaranteed

	1991 Amount	1992 Amount	1993 Amount
Arkansas.....	66,000	--	--
Kansas.....	20,000	--	--
Louisiana.....	210,000	--	--
Mississippi.....	282,000	--	--
Oklahoma.....	62,500	--	--
West Virginia.....	24,000	--	--
Reserve		--	--
Total Avail./Est...	664,500	35,000,000 1/	--

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Development Insurance Fund
Community Facilities Loan Program - Direct

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	1,631,000	2,579,000	2,579,000
Alaska.....	298,800	360,000	360,000
Arizona.....	--	603,000	603,000
Arkansas.....	2,871,300	1,878,000	1,878,000
California.....	3,439,700	2,702,000	2,702,000
Colorado.....	--	704,000	704,000
Connecticut.....	1,613,750	775,000	775,000
Delaware.....	115,000	360,000	360,000
Florida.....	3,550,000	2,147,000	2,147,000
Georgia.....	244,700	3,248,000	3,248,000
Hawaii.....	--	360,000	360,000
Idaho.....	446,000	602,000	602,000
Illinois.....	2,518,000	2,573,000	2,573,000
Indiana.....	3,800,000	2,429,000	2,429,000
Iowa.....	2,329,000	1,465,000	1,465,000
Kansas.....	616,000	989,000	989,000
Kentucky.....	1,488,000	3,031,000	3,031,000
Louisiana.....	2,692,000	2,252,000	2,252,000
Maine.....	3,216,170	825,000	825,000
Maryland.....	300,000	1,030,000	1,030,000
Massachusetts.....	2,973,300	1,148,000	1,148,000
Michigan.....	2,112,000	3,532,000	3,532,000
Minnesota.....	3,825,000	1,635,000	1,635,000
Mississippi.....	674,000	2,654,000	2,654,000
Missouri.....	1,055,800	2,147,000	2,147,000
Montana.....	--	507,000	507,000
Nebraska.....	850,000	743,000	743,000
Nevada.....	--	360,000	360,000
New Hampshire.....	1,086,400	519,000	519,000
New Jersey.....	1,771,700	994,000	994,000
New Mexico.....	--	588,000	588,000
New York.....	4,112,000	3,883,000	3,883,000
North Carolina.....	4,412,080	4,537,000	4,537,000
North Dakota.....	569,000	465,000	465,000
Ohio.....	847,500	3,665,000	3,665,000
Oklahoma.....	727,000	1,403,000	1,403,000
Oregon.....	500,000	1,110,000	1,110,000
Pennsylvania.....	8,212,400	4,637,000	4,637,000
Rhode Island.....	2,808,300	360,000	360,000
South Carolina.....	8,236,200	2,224,000	2,224,000
South Dakota.....	537,000	578,000	578,000
Tennessee.....	3,090,000	2,926,000	2,926,000
Texas.....	3,545,000	4,338,000	4,338,000
Utah.....	530,000	360,000	360,000
Vermont.....	1,065,000	447,000	447,000
Virginia.....	6,676,400	2,405,000	2,405,000
Washington.....	350,000	1,372,000	1,372,000
West Virginia.....	1,984,000	1,841,000	1,841,000
Wisconsin.....	1,600,000	1,968,000	1,968,000
Wyoming.....	16,500	360,000	360,000
Puerto Rico.....	4,664,000	4,664,000	4,664,000
Virgin Islands.....	--	360,000	360,000
Trust Territories..	--	360,000	360,000
Reserve	--	9,998,000	9,998,000
Total Avail./Est...	100,000,000	100,000,000	100,000,000

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Development Insurance Fund
Community Facilities Loan Program - Guaranteed

	1991 Amount	1992 Amount	1993 Amount
Arkansas.....	168,200	--	--
California.....	1,000,000	--	--
Colorado.....	162,000	--	--
Georgia.....	750,000	--	--
Illinois.....	62,500	--	--
Maine.....	3,650,000	--	--
Minnesota.....	393,000	--	--
Missouri.....	105,100	--	--
Nebraska.....	500,000	--	--
New Hampshire.....	150,000	--	--
New York.....	9,700,000	--	--
North Carolina.....	5,722,000	--	--
Ohio.....	240,000	--	--
South Carolina.....	766,200	--	--
South Dakota.....	52,500	--	--
Utah.....	263,500	--	--
Vermont.....	315,000	--	--
West Virginia.....	1,000,000	--	--
Total Avail./Est...	25,000,000	25,000,000 1/	100,000,000 1/

1/ Cannot be distributed by geographic area in advance.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Development Insurance Fund
Business and Industrial Development Loan Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	--	2,438,000	2,438,000
Alaska.....	--	500,000	500,000
Arizona.....	--	661,000	661,000
Arkansas.....	--	1,786,000	1,786,000
California.....	2,960,000	2,626,000	2,626,000
Colorado.....	--	612,000	612,000
Connecticut.....	--	603,000	603,000
Delaware.....	--	500,000	500,000
Florida.....	4,950,000	2,765,000	2,765,000
Georgia.....	5,063,000	2,822,000	2,822,000
Hawaii.....	723,220	500,000	500,000
Idaho.....	--	571,000	571,000
Illinois.....	7,500,000	2,911,000	2,911,000
Indiana.....	400,000	2,504,000	2,504,000
Iowa.....	--	1,305,000	1,305,000
Kansas.....	--	783,000	783,000
Kentucky.....	1,000,000	3,050,000	3,050,000
Louisiana.....	--	2,283,000	2,283,000
Maine.....	16,687,000	799,000	799,000
Maryland.....	--	864,000	864,000
Massachusetts.....	--	840,000	840,000
Michigan.....	5,832,000	3,311,000	3,311,000
Minnesota.....	3,175,000	1,639,000	1,639,000
Mississippi.....	2,510,000	2,479,000	2,479,000
Missouri.....	2,590,000	1,949,000	1,949,000
Montana.....	1,320,000	522,000	522,000
Nebraska.....	--	579,000	579,000
Nevada.....	--	500,000	500,000
New Hampshire.....	--	500,000	500,000
New Jersey.....	1,975,000	1,191,000	1,191,000
New Mexico.....	246,000	644,000	644,000
New York.....	600,000	3,327,000	3,327,000
North Carolina.....	8,134,000	4,069,000	4,069,000
North Dakota.....	--	500,000	500,000
Ohio.....	370,000	3,303,000	3,303,000
Oklahoma.....	--	1,460,000	1,460,000
Oregon.....	--	1,125,000	1,125,000
Pennsylvania.....	--	4,094,000	4,094,000
Rhode Island.....	--	500,000	500,000
South Carolina.....	5,596,900	1,974,000	1,974,000
South Dakota.....	2,062,500	500,000	500,000
Tennessee.....	1,379,500	2,789,000	2,789,000
Texas.....	2,920,000	3,635,000	3,635,000
Utah.....	--	500,000	500,000
Vermont.....	--	500,000	500,000
Virginia.....	--	1,974,000	1,974,000
Washington.....	2,900,000	1,533,000	1,533,000
West Virginia.....	11,032,700	1,925,000	1,925,000
Wisconsin.....	2,685,000	1,876,000	1,876,000
Wyoming.....	1,468,500	500,000	500,000
Puerto Rico.....	3,875,000	2,879,000	2,879,000
Trust Territories..	--	500,000	500,000
Virgin Islands.....	--	500,000	500,000
Reserve.....	--	15,000,000	15,000,000
Total Avail./Est...	99,955,320	100,000,000	100,000,000

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 Actual and Estimated 1992 and 1993

Indian Land Acquisition Loan Program

	1991 Amount	1992 Amount	1993 Amount
Nebraska	140,000	--	--
Oregon	127,350	--	--
Total, Avail./Est..	267,350	1,000,000 1/	--

Insured Watershed and Flood Prevention Loan Program

Total, Avail./Est..	--	4,000,000 1/	--
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Resource Conservation and Development Loan Program

Total, Avail./Est..	--	600,000 1/	--
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1/ Cannot be distributed by geographic area in advance.

RURAL DEVELOPMENT ADMINISTRATION

The 1993 Budget Estimates include proposed changes in the language as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Loans Program Account:

- 1 For the cost[, as defined in section 13201 of the Budget Enforcement Act
of 1990, including the cost of modifying loans,] of direct loans \$20,048,000,
2 as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)),
3 [\$16,260,000]: Provided, That such costs, including the cost of modifying such
loans, shall be as defined in section 502 of the Congressional Budget Act of
1974: Provided further, That such sums are to remain available through fiscal
year 2000 for the disbursement of loans obligated in fiscal year 1993:
Provided further, That these funds are available to subsidize gross obligations
for the principal amount of direct loans of not to exceed [\$32,500,000]
4 \$35,000,000: Provided further, That such sums obligated in FY 1992 are to
remain available through fiscal year 2000 for the disbursement of loans
obligated in fiscal year 1992.

In addition, for administrative expenses necessary to carry out the direct loan programs, [\$689,000] \$534,000.

The first and second change substitutes legal citation for the appropriation for subsidy costs to the original legislation, as amended.

The third change will allow for the disbursement of FY 1993 obligated subsidy to the financing account beyond the five year limitation set forth in P.L. 101-510, the National Defense Authorization Act for FY 1991.

The fourth change will allow for the disbursement of FY 1992 obligated subsidy to the financing account beyond the five-year limitation set forth in P.L. 101-510, the National Defense Authorization Act for FY 1991.

Rural Development Loan Fund

The 1993 budget reflects the credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. Loan levels are included in the appropriation language requested for the subsidy amount for FY 1993. The appropriation language also specifies the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the difference between the Government's cash disbursements and the net present value of estimated cash inflows over the lifetime of the loans; whereas outlays represent the portion of the subsidy related to the loan amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a "financing account" and are considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for pre-credit reform portfolios of loans are reflected in the Budget in "liquidating accounts" and are calculated as before, to represent disbursements, borrower repayments and borrower payments.

(a) Rural Development Loan Fund - Liquidating Account

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, the pre-credit reform revolving fund account will be referred to as a liquidating account. No new loans will be charged to it after FY 1991. The liquidating account will be used to liquidate the loans made prior to FY 1992, as long as the terms and conditions of these loans do not change. Activity of this account will include, loan disbursements, collection of interest, loan repayments and prepayments, proceeds from the sale of acquired property, fees, and other revenues and expenses related to obligations made prior to FY 1992. Although FY 1991 actual activity is included in the sections that follow, it is provided for comparability purposes only.

(b) Rural Development Loans Program Account

(On basis of loan level, subsidy, and administrative expense)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expense</u>
Appropriation Act, FY 1992.....	\$32,500,000	\$16,260,000	\$689,000
Budget Estimate, FY 1993.....	35,000,000	20,048,000	534,000
Increase or Decrease in Amount.....	+2,500,000	+3,788,000	-155,000

PROJECT STATEMENT

(On basis of loan level, subsidy and administrative expense in the Appropriation Act)
(In thousands of dollars)

<u>Project</u>	<u>: 1991 : Actual</u>	<u>: 1992 : Estimated</u>	<u>: Increase or : Decrease</u>	<u>: 1993 : Estimated</u>
Intermediary Relending Program:	:	:	:	:
Direct loans.....	\$32,500	\$32,500	\$2,500 (1)	\$35,000
Direct loan subsidy.....	0	16,260	3,788 (2)	20,048
Administrative expense.....	561	689	-155 (3)	534

Staff-years are reflected in the Salaries and Expense Project Statement.

EXPLANATION OF PROGRAM

As required by Title XIII, section 13201, of the Omnibus Budget Reconciliation Act of 1990, this account records the subsidy costs associated with the direct loan obligations of this program in FY 1992 and beyond. Subsidy amounts are obtained by estimating the net present value of the Government's cash flows resulting from direct loans made through this account. For the requested FY 1993 loan level of \$35,000,000, the associated lifetime subsidy is estimated to be \$20,048,000. Corresponding administrative expenses and staff-years are justified in the Salaries and Expenses Project Statement.

Loans will be made to intermediary borrowers (i.e. small investment groups) who in turn will relend the funds to rural businesses, community development corporations, private nonprofit organizations, etc. for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

JUSTIFICATION OF INCREASES AND DECREASE

- (1) An increase of \$2,500,000 in the intermediary relending program loan level (\$32,500,000 available in FY 1992).

Need for Change. The increased program level will aid in the support of the President's Rural Development Initiative. The Intermediary Relending Program provides low interest loans to non-profit organizations who may then leverage other funds for relending to small businesses. These relenders provide extensive services to new rural businesses and enable communities to have a strong voice in the use of FmHA funds thus further strengthening the rural infrastructure.

Nature of Change. The program level will provide 28 loans to intermediary relenders in FY 1993.

- (2) An increase of \$3,788,000 in the rural development direct loan subsidy (\$16,260,000 available in FY 1992).

Need for Change. This estimated subsidy amount is necessary to support the direct loan obligations associated with the requested FY 1993 loan level, under the provisions of the Omnibus Budget Reconciliation Act of 1990.

- (3) A decrease of \$155,000 in administrative expense (\$689,000 available in FY 1992).

Of the funds requested for administrative expenses, \$524,000 will be transferred to the Salaries and Expenses account. The remaining \$10,000 will be used to pay advances on behalf of borrowers from this account. These costs will be paid from the liquidating account in FY 1992.

(c) Rural Development Direct Loan Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this off-budgetary account records the obligations and cash flows to and from the Government resulting from direct loans obligated in FY 1992 and beyond. These cash flows may include, but are not limited to, direct loan subsidy payments from the subsidy account, loan disbursements, principal repayments and interest payments from borrowers, prepayments or fees, proceeds from the sale of loans, and interest paid on Treasury borrowing. In addition, this account has permanent, indefinite budget authority to borrow from the Treasury in order to finance direct loan disbursements. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

Rural Development Administration
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
 1991 and Estimated 1992 and 1993

Rural Development Loan Fund

	1991 Amount	1992 Amount	1993 Amount
	<u> </u>	<u> </u>	<u> </u>
Arkansas.....	1,000,000	--	--
California.....	500,000	--	--
Georgia.....	3,250,000	--	--
Indiana.....	300,000	--	--
Iowa.....	1,000,000	--	--
Kentucky.....	1,876,000	--	--
Louisiana.....	2,000,000	--	--
Maine.....	2,000,000	--	--
Minnesota.....	1,990,000	--	--
Mississippi.....	5,250,000	--	--
Missouri.....	2,000,000	--	--
New York.....	2,350,000	--	--
North Carolina....	352,000	--	--
Oklahoma.....	1,000,000	--	--
Pennsylvania.....	2,475,000	--	--
Tennessee.....	3,876,000	--	--
Vermont.....	980,000	--	--
Washington.....	300,000	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Avail./Est..	32,499,000	32,500,000 1/	35,000,000 1/
	<u> </u>	<u> </u>	<u> </u>

1/ Cannot be distributed by geographic area in advance.

Agricultural Resource Conservation Demonstration Program

The 1993 budget reflects the credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these programs represent subsidy costs, including interest subsidies, defaults, and administrative expenses, rather than loan disbursements and repayments. This program is mandatory and therefore exempt from the appropriation requirements of Section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661(c)). The permanent, indefinite budget authority estimated for this account will fund the subsidy costs associated with the estimated loan guarantee commitments. Budget authority for the subsidy represents the net present value of estimated cash flows over the lifetime of the loans; whereas outlays represent the portion of the subsidy related to the loan amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All loan disbursement and repayment activity related to loans made in FY 1992 or later appear in a "financing account" and are considered "off-budget" for purposes of estimating the deficit.

(a) Agricultural Resource Conservation Demonstration Program Account

(On basis of mandated loan level, subsidy, and administrative expense)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expense</u>
FY 1992.....	\$10,000,000	\$3,617,000	0
FY 1993.....	10,000,000	3,644,000	0
Increase.....	0	+27,000	0
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PROJECT STATEMENT

(On basis of mandated loan level, subsidy and administrative expense)
(In thousands of dollars)

Project	: 1991 : : Actual :	: 1992 : : Estimated :	: Increase or : : Decrease :	: 1993 : : Estimated :
Agricultural Resource Conserva- tion Demonstration Program:	:	:	:	:
Guaranteed loans.....	0	\$10,000	0	\$10,000
Guaranteed loan subsidy.....	0	3,617	+\$27	3,644
Administrative expense.....	0	0	0	0

EXPLANATION OF PROGRAM

The Farms for the Future Act of 1990 (section 1465 of P.L. 101-624) as amended, by section 203 of P.L. 102-237, the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 provided for the issuance of loan guarantees and interest assistance on loans made to state trust funds to assist eligible states in financing a farmland protection effort to preserve vital farmland resources for future generations. Each guarantee shall be for a ten year period covering 100 percent of both principal and interest due. The Secretary shall pay all the interest due for the first five years and no less than three percentage points of the interest for the next five years. The interest rate is negotiated between the borrower and lender, except that no eligible loan shall bear an interest rate in excess of 10 percent per year. The maximum allowable Federal loan guarantee is no more than double the amount that the eligible state makes available for acquiring and preserving farmland, up to a maximum of \$10 million per year, to each eligible state, through September 30, 1996. The law mandated a pilot program in Vermont beginning in FY 1992.

JUSTIFICATION OF INCREASE

An increase of \$27,000 in guaranteed subsidy (\$3,617,000 available in FY 1992).

Need for Change. This estimated subsidy amount is necessary to support the guaranteed loan obligations associated with the FY 1993 loan level, under the provisions of the Omnibus Budget Reconciliation Act of 1990. The estimated subsidy rate for this loan guarantee program has increased from the prior year.

(b) Agricultural Resource Conservation Demonstration Financing Account

As required by the Omnibus Budget Reconciliation Act of 1990, this off-budgetary account records the obligations and cash flows to and from the Government associated with guaranteed loan commitments made in FY 1992 and beyond. These cash flows may include, but are not limited to, guaranteed loan subsidy payments from the program account, fees, and receipt of interest on uninvested funds. In addition, this account will keep track of the available budget authority for guaranteed loan commitments. All transactions of the financing account are a means of financing and are excluded from the budget deficit calculation.

RURAL DEVELOPMENT ADMINISTRATION

The 1993 Budget Estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Water and Waste Disposal Grants:

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), [~~\$350,000,000~~] \$300,000,000, to remain available until expended, pursuant to section 306(d) of the above Act: Provided, That these funds shall not be used for any purpose not specified in section 306(a) of the Consolidated Farm and Rural Development Act.

Rural Water and Waste Disposal Grants

Appropriation Act, 1992.....	\$350,000,000
Budget Estimate, 1993.....	<u>300,000,000</u>
Decrease in Appropriation.....	<u>-50,000,000</u>

PROJECT STATEMENT
(On basis of appropriation)

Project	1991 Actual	1992 Estimated	Decrease	1993 Estimated
Rural water & waste disposal grants:				
Water supply.....	\$158,699,430	\$185,820,250	\$-26,545,750	\$159,274,500
Waste disposal.....	129,256,122	151,345,250	-21,620,750	129,724,500
Combination - water & waste disposal....	6,477,528	7,584,500	-1,083,500	6,501,000
Technical assistance grants.....	5,563,020	5,250,000	-750,000	4,500,000
Total estimate.....	299,996,100	350,000,000	-50,000,000	300,000,000
GRH reduction.....	3,900			
Total Appropriation.....	300,000,000			

The preceding tabulation is based on amounts included in appropriation acts. The following tabulation shows estimated obligations on an available funds basis, including balances brought forward from prior years.

PROJECT STATEMENT
(On basis of obligations under available funds)

Project	1991 Actual	1992 Estimated	Increase or Decrease	1993 Estimated
Rural water & waste disposal grants:				
Water supply.....	\$162,772,550	\$186,143,794	\$-26,869,294	\$159,274,500
Waste disposal.....	132,798,927	151,608,768	-21,884,268	129,724,500
Combination - water & waste disposal....	6,653,200	7,597,706	-1,096,706	6,501,000
Technical assistance grants.....	5,563,020	5,250,000	-750,000	4,500,000
Total obligations.....	307,787,697	350,600,268	-50,600,268	300,000,000
Recovery of prior year obligations.....	-7,084,546	--	--	--
Unobligated balance available, start of year.....	-1,307,319	-600,268	+600,268	--
Unobligated balance available, end of year.....	600,268	--	--	--
Total adjusted appropriation.....	299,996,100	350,000,000	-50,000,000	300,000,000

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

Section 306 of the Consolidated Farm and Rural Development Act, as amended, provides appropriation authority for grants for the development costs of water and waste disposal projects in rural areas.

Development grants may be made to associations, including corporations operating on a nonprofit basis, municipalities, authorities, districts, certain Indian tribes, and similar organizations generally designated as public or quasi-public agencies, that propose projects for development of storage, treatment, purification, or distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Grants may be made to assist eligible applicants to pay for part of the development cost of such projects if necessary to reduce user charges to a reasonable level. In addition, grants may be made to private nonprofit organizations that have experience in providing technical assistance and training for such purposes as assisting in identifying and evaluating alternative solutions to problems relating to water and waste disposal, preparing applications, and improving operation and maintenance practices at existing plants. Combined loans and grants may be made when the applicant is able to repay part, but not all, of the project costs.

Grants also may be made to supplement other funds borrowed or furnished by applicants to pay development costs. An eligible project must serve a rural area which is not likely to decline in population below that for which the project was designed, and it must be designed and constructed so that adequate capacity will be or can be made available to serve the reasonably foreseeable growth needs of the area.

Water and waste disposal grants may not exceed 75 percent of the development cost of the project. The development cost may include the cost of construction of the proposed facility including rights-of-way, land rights, water rights, engineering fees, and legal fees.

JUSTIFICATION OF DECREASE

A decrease of \$50,000,000 for rural water and waste disposal grants (\$350,000,000 available in 1992).

Need for Change. The Administration recognizes the need to continue financial assistance to low-income communities to aid their efforts in providing basic public services and in meeting Federal water quality and drinking water standards. Due to budgetary constraints and competing priorities, the water and waste disposal grant program will be reduced by \$50 million.

Nature of Change. At the reduced level, the program will still provide assistance to 563 community water and waste disposal systems.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1991 and 1992

Rural Water and Waste Disposal Grant Program

	1991 Amount	1992 Amount	1993 Amount
Alabama.....	7,585,500	9,030,000	7,756,770
Alaska.....	1,770,000	622,000	534,298
Arizona.....	2,295,000	2,105,000	1,808,195
Arkansas.....	13,286,900	6,560,000	5,635,040
California.....	8,550,600	9,439,000	8,108,101
Colorado.....	1,943,600	2,457,000	2,110,563
Connecticut.....	2,321,000	2,708,000	2,326,172
Delaware.....	2,390,700	820,000	704,380
Florida.....	6,629,200	7,500,000	6,117,500
Georgia.....	10,086,500	11,344,000	9,744,496
Hawaii.....	--	566,000	486,194
Idaho.....	1,884,500	2,102,000	1,805,618
Illinois.....	8,578,780	8,986,000	7,718,974
Indiana.....	7,572,600	8,483,000	7,286,897
Iowa.....	5,182,500	5,115,000	4,393,785
Kansas.....	6,018,600	3,455,000	2,967,845
Kentucky.....	10,824,200	10,585,000	9,092,515
Louisiana.....	7,034,800	7,864,000	6,755,176
Maine.....	8,944,097	2,881,000	2,474,779
Maryland.....	4,178,100	3,599,000	3,091,541
Massachusetts.....	2,401,500	4,008,000	3,442,872
Michigan.....	10,574,000	12,336,000	10,271,624
Minnesota.....	6,912,400	5,712,000	4,906,608
Mississippi.....	10,245,450	9,268,000	7,961,212
Missouri.....	6,942,200	7,500,000	6,442,500
Montana.....	1,519,000	1,773,000	1,523,007
Nebraska.....	2,433,200	2,594,000	2,228,246
Nevada.....	--	479,000	411,461
New Hampshire.....	2,001,000	1,812,000	1,556,508
New Jersey.....	4,347,700	3,470,000	2,980,730
New Mexico.....	289,700	2,054,000	1,764,386
New York.....	11,935,800	13,561,000	11,648,899
North Carolina.....	13,255,600	15,845,000	13,610,855
North Dakota.....	--	1,625,000	1,395,875
Ohio.....	11,280,000	12,800,000	10,995,200
Oklahoma.....	10,469,370	4,902,000	4,210,818
Oregon.....	4,222,800	3,875,000	3,328,625
Pennsylvania.....	13,846,900	16,195,000	13,911,505
Rhode Island.....	201,600	543,000	466,437
South Carolina.....	7,436,500	7,769,000	6,673,571
South Dakota.....	2,658,700	2,019,000	1,734,321
Tennessee.....	8,759,000	10,220,000	8,778,980
Texas.....	13,159,100	15,150,000	13,013,850
Utah.....	1,292,400	1,022,000	877,898
Vermont.....	2,683,100	1,560,000	1,340,040
Virginia.....	9,444,500	8,401,000	7,216,459
Washington.....	4,190,400	4,794,000	4,118,046
West Virginia.....	7,176,000	6,430,000	5,523,370
Wisconsin.....	5,838,100	6,875,000	5,905,625
Wyoming.....	1,342,000	698,000	599,582
Puerto Rico.....	13,852,500	16,291,000	13,993,969
Trust Territories..	--	450,000	386,550
Virgin Islands.....	--	450,000	386,550
Reserve.....	--	41,298,000	35,474,982
Total Avail./Est...	307,787,697	350,000,000	300,000,000

RURAL DEVELOPMENT ADMINISTRATION

The 1993 Budget Estimates include proposed changes in the language of this item as follows (deleted matter enclosed in brackets):

Rural Development Grants:

- 1 For grants authorized under section 310(B)(c) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act to any qualified public or private nonprofit organization, [\$20,750,000: Provided, That \$500,000 shall be available for grants to qualified nonprofit organizations to provide technical assistance and training for rural communities needing improved passenger transportation systems or facilities in order to promote economic development: Provided further, That \$2,000,000 shall be available for grants to statewide private, non-profit public television systems in predominantly rural States to provide information and services on rural economics and agriculture: Provided further, That effective for fiscal year 1991 and thereafter,]
- 2 \$35,000,000 of which \$25,000,000 is available for water treatment grants to the States of Texas and New Mexico for Colonias: Provided, that grants made pursuant to this appropriation shall not be subject to any dollar limitation unless such limitation is set forth in law.

The first change eliminates language which limits the scope of the program in carrying out rural development initiatives.

The second change makes funds within this appropriation specifically available for water treatment grants to the States of Texas and New Mexico for Colonias, thus placing a priority on funding for water supply and treatment systems for Colonias in Texas and New Mexico, the majority of which do not have potable water systems.

RURAL DEVELOPMENT ADMINISTRATION

Rural Development Grants

Appropriation Act, 1992.....	\$20,750,000
Budget Estimate, 1993.....	35,000,000
Increase in Appropriation.....	<u>+14,250,000</u>

PROJECT STATEMENT
(On basis of appropriation)

Project	: 1991 : Actual	: 1992 : Estimated	: Increase	: 1993 : Estimated
Rural development grants.....	\$20,749,730	\$20,750,000	\$14,250,000	\$35,000,000
GRH reduction.....	270			
<u>Total appropriation...</u>	<u>20,750,000</u>			

Staff-years are reflected on the Salaries and Expenses Project Statement of the Rural Development Administration.

EXPLANATION OF PROGRAM

This grant program is authorized under section 3108(c) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made to any qualified public or private nonprofit organization for measures designed to finance and facilitate development of small and emerging private business enterprises, including the development, construction or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, technical assistance, necessary start up capital, establishment of revolving loan funds, refinancing, services and fees. Total grants may not exceed \$50,000,000 annually.

JUSTIFICATION OF INCREASE

An increase of \$14,250,000 for the rural development grants (\$20,750,000 available in 1992).

Need for Change. The requested funding is needed to complement the President's Rural Development Initiative to stimulate economic development. The grants are used in small communities and economically distressed areas lacking access to capital.

Nature of Change. The requested funding will provide 120 grants.

RURAL DEVELOPMENT ADMINISTRATION
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

	Rural Development Grants		
	1991 Amount	1992 Amount	1993 Amount
	-----	-----	-----
Alabama.....	61,800	--	--
Alaska.....	154,000	--	--
Arizona.....	--	--	--
Arkansas.....	650,000	--	--
California.....	359,000	--	--
Colorado.....	--	--	--
Connecticut.....	124,000	--	--
Delaware.....	--	--	--
Florida.....	286,000	--	--
Georgia.....	541,000	--	--
Hawaii.....	250,000	--	--
Idaho.....	325,000	--	--
Illinois.....	342,000	--	--
Indiana.....	323,000	--	--
Iowa.....	1,050,000	--	--
Kansas.....	197,970	--	--
Kentucky.....	--	--	--
Louisiana.....	473,750	--	--
Maine.....	569,500	--	--
Maryland.....	668,000	--	--
Massachusetts.....	472,250	--	--
Michigan.....	515,000	--	--
Minnesota.....	467,000	--	--
Mississippi.....	353,000	--	--
Missouri.....	286,000	--	--
Montana.....	--	--	--
Nebraska.....	99,000	--	--
Nevada.....	75,730	--	--
New Hampshire.....	73,300	--	--
New Jersey.....	132,000	--	--
New Mexico.....	--	--	--
New York.....	696,000	--	--
North Carolina.....	603,000	--	--
North Dakota.....	1,665,000	--	--
Ohio.....	487,000	--	--
Oklahoma.....	2,449,200	--	--
Oregon.....	244,000	--	--
Pennsylvania.....	738,500	--	--
Rhode Island.....	162,000	--	--
South Carolina.....	396,000	--	--
South Dakota.....	170,000	--	--
Tennessee.....	389,000	--	--
Texas.....	552,000	--	--
Utah.....	139,000	--	--
Vermont.....	1,054,700	--	--
Virginia.....	650,000	--	--
Washington.....	500,000	--	--
West Virginia.....	260,000	--	--
Wisconsin.....	429,000	--	--
Wyoming.....	277,020	--	--
Puerto Rico.....	--	--	--
Trust Territories..	--	--	--
Virgin Islands.....	40,000	--	--
Reserve.....	10	--	--
Total Oblig./Est.	20,749,730	20,750,000 1/	35,000,000
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1/ Cannot be distributed by geographic area in advance.

RURAL DEVELOPMENT ADMINISTRATION

The 1993 Budget Estimates include proposed language for this item as follows (deleted matter enclosed in brackets):

Emergency Community Water Assistance Grants:

[For emergency community water assistance grants as authorized under section 306B (7 U.S.C. 1926b) of the Consolidated Farm and Rural Development Act, \$10,000,000.]

This change eliminates the appropriation language for this account. No funds are requested for FY 1993.

Emergency Community Water Assistance Grants

Appropriation Act, 1992.....	\$10,000,000
Budget Estimate, 1993.....	0
Decrease in Appropriation.....	-10,000,000
	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	1991 Actual	1992 Estimated	Decrease	1993 Estimated
Emergency community water assistance grants:				
Section 306A.....	\$9,999,870	0	0	0
Section 306B.....		\$10,000,000	-\$10,000,000	0
Total estimate.....	9,999,870	10,000,000	-10,000,000	0
GRH reduction.....	130	=====		
Total Appropriation.....	10,000,000			
	=====			

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

These grant programs are authorized under Section 306A and 306B of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926(a)) as amended by Title V of the Disaster Assistance Act of 1989, P.L. 101-82 and the Food, Agriculture, Conservation and Trade Act of 1990, P.L. 101-624. Grants are made to public bodies and private nonprofit organizations serving rural areas for the purpose of construction or extension of waterlines, repairs or maintenance of existing systems, replace equipment, and pay cost to correct emergency situations. Grants made to alleviate a significant decline in quantity or quality of water available from the water supplies of rural residents that occurs within two years of filing an application with FmHA may not exceed \$500,000. Grants made for repairs, partial replacement, or significant maintenance on an established system may not exceed \$75,000. Grants in 1991 were funded and made under Section 306A. Funding in 1992 is available for Section 306B grants only.

JUSTIFICATION OF DECREASE

A decrease of \$10,000,000 for emergency water community assistance grants (\$10,000,000 available in FY 1992).

Need for Change. Communities experiencing decline in quantity or quality of their water supply receive priority under the water and waste disposal program. Hence, this program is not needed.

Nature of Change. No funds are requested for FY 1993.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Emergency Community Water Assistance Grants

	1991 Amount	1992 Amount	1993 Amount
Alaska.....	350,000	--	--
Arkansas.....	--	--	--
California.....	675,000	--	--
Florida.....	230,300	--	--
Georgia.....	--	--	--
Idaho.....	93,000	--	--
Iowa.....	2,545,600	--	--
Kansas.....	555,000	--	--
Kentucky.....	--	--	--
Louisiana.....	544,990	--	--
Maine.....	371,500	--	--
Mississippi.....	--	--	--
Missouri.....	1,261,300	--	--
Nebraska.....	75,000	--	--
Nevada.....	646,100	--	--
New Hampshire.....	--	--	--
New Mexico.....	135,000	--	--
New York.....	75,000	--	--
North Dakota.....	97,500	--	--
Oklahoma.....	55,000	--	--
South Carolina.....	--	--	--
South Dakota.....	132,270	--	--
Texas.....	639,060	--	--
Utah.....	370,000	--	--
Vermont.....	120,000	--	--
Virginia.....	419,950	--	--
Washington.....	48,000	--	--
Wisconsin.....	560,300	--	--
Total Avail./Est....	9,999,870	10,000,000 1/	--

1/Cannot be distributed by geographic area in advance.

RURAL DEVELOPMENT ADMINISTRATION

The 1993 Budget Estimates include proposed language for this item as follows (deleted matter enclosed in brackets):

Solid Waste Management Grants:

[For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act, \$3,000,000: Provided, That such assistance shall include regional technical assistance for improvement of solid waste management.]

This change eliminates the appropriation language for this program. No funds are requested for FY 1993.

Solid Waste Management Grants

Appropriation Act, 1992.....	\$3,000,000
Budget Estimate, 1993.....	0
Decrease in Appropriation.....	-3,000,000
	=====

PROJECT STATEMENT
(On basis of appropriation)

Project	1991 Actual	1992 Estimated	Decrease	1993 Estimated
Solid waste management grants, estimate.....	\$1,499,980	\$3,000,000	\$3,000,000	0
GRH reduction.....	20	=====		
<u>Total Appropriation.....</u>	<u>1,500,000</u>	=====		

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926(a)). Grants are made to nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning and management of solid waste disposal facilities.

JUSTIFICATION OF DECREASE

A decrease of \$3,000,000 for solid waste management grants (\$3,000,000 available in FY 1992).

Need for Change. Funds needed for solid waste management technical assistance are available through FmHA Technical Assistance and Training grants.

Nature of Change. No funds are requested for FY 1993.

Rural Development Administration
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Solid Waste Management Grants

	1991 Amount	1992 Amount	1992 Amount
Arkansas.....	100,000	--	--
Georgia.....	520,000	--	--
Kentucky.....	15,240	--	--
Maine.....	531,120	--	--
Mississippi.....	75,000	--	--
New Hampshire.....	49,810	--	--
North Dakota.....	30,000	--	--
South Carolina.....	20,000	--	--
South Dakota.....	125,000	--	--
Vermont.....	33,500	--	--
Total Avail./Est.	1,499,670	3,000,000 1/	--

RURAL DEVELOPMENT ADMINISTRATION

The 1993 Budget Estimates include language for this item as follows (deleted matter enclosed in brackets):

[Rural Community Fire Protection Grants]:

[For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), \$3,500,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.]

This change eliminates the appropriation language for this program. No funds are requested for fiscal year 1993.

Rural Community Fire Protection Grants

Appropriation Act, 1992.....	\$3,500,000
Budget Estimate, 1993.....	--
Decrease in Appropriation.....	<u>3,500,000</u>

PROJECT STATEMENT
(On basis of appropriation)

Project	1991 Actual	1992 Estimated	Decrease	1993 Estimated
Rural community fire protection grants....	\$3,353,455	\$3,500,000	-\$3,500,000	0
Unobligated balance lapsing.....	146,499	0	0	0
Total available or estimate.....	3,499,954	3,500,000	-3,500,000	0
GRH reduction.....	46			
Total appropriation....	3,500,000			

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106). Grants are made to public bodies to organize, train, and equip local fire-fighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

JUSTIFICATION OF DECREASE

A decrease of \$3,500,000 for the rural community fire protection grants (\$3,500,000 available in 1992).

Need for Change. Organizations eligible for fire protection grants may apply for either FmHA community facility direct loan or a FmHA guaranteed loan through the private sector.

Nature of Change. No funds are proposed for this program in FY 1993.

RURAL DEVELOPMENT ADMINISTRATION
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
1991 and Estimated 1992 and 1993

Rural Community Fire Protection Grants

	1991 Amount	1992 Amount	1993 Amount
	-----	-----	-----
Alabama.....	54,386	56,000	--
Alaska.....	77,000	78,000	--
Arizona.....	45,000	59,000	--
Arkansas.....	55,510	57,000	--
California.....	84,475	156,000	--
Colorado.....	67,000	68,000	--
Connecticut.....	25,000	25,000	--
Delaware.....	18,500	19,000	--
Florida.....	72,589	75,000	--
Georgia.....	65,061	67,000	--
Hawaii.....	50,000	17,000	--
Idaho.....	41,250	37,000	--
Illinois.....	132,000	135,000	--
Indiana.....	90,000	93,000	--
Iowa.....	119,000	122,000	--
Kansas.....	119,000	122,000	--
Kentucky.....	59,780	62,000	--
Louisiana.....	74,724	77,000	--
Maine.....	27,000	28,000	--
Maryland.....	38,000	39,000	--
Massachusetts.....	24,700	29,000	--
Michigan.....	96,000	98,000	--
Minnesota.....	136,000	138,000	--
Mississippi.....	54,386	56,000	--
Missouri.....	88,000	102,000	--
Montana.....	69,580	64,000	--
Nebraska.....	91,000	94,000	--
Nevada.....	34,000	31,000	--
New Hampshire.....	19,800	20,000	--
New Jersey.....	34,200	40,000	--
New Mexico.....	31,000	36,000	--
New York.....	90,000	95,000	--
North Carolina.....	77,871	81,000	--
North Dakota.....	112,170	104,000	--
Ohio.....	103,000	105,000	--
Oklahoma.....	67,196	70,000	--
Oregon.....	56,500	58,000	--
Pennsylvania.....	104,000	106,000	--
Rhode Island.....	15,500	15,000	--
South Carolina.....	50,116	52,000	--
South Dakota.....	84,000	86,000	--
Tennessee.....	61,915	64,000	--
Texas.....	176,080	182,000	--
Utah.....	38,000	32,000	--
Vermont.....	21,000	21,000	--
Virginia.....	53,376	55,000	--
Washington.....	58,500	60,000	--
West Virginia.....	34,400	35,000	--
Wisconsin.....	89,000	91,000	--
Wyoming.....	27,000	28,000	--
Puerto Rico.....	14,945	15,000	--
Guam & Trust Terr..	10,000	--	--
Virgin Islands.....	14,945	15,000	--
Regional Admin.....	(include in		
above amounts)....	above amts.)	30,000	--
	-----	-----	-----
Total Oblig./Est.	3,353,455	3,500,000	--
	=====	=====	=====

